

ANNUAL FINANCIAL REPORT

WEAKLEY COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2019

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JUSTIN P. WILSON

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This financial report is available at www.comptroller.tn.gov

WEAKLEY COUNTY, TENNESSEE

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Summary of Audit Findings

Annual Financial Report
Weakley County, Tennessee
For the Year Ended June 30, 2019

Scope

We have audited the basic financial statements of Weakley County as of and for the year ended June 30, 2019.

Results

Our report on Weakley County's financial statements is unmodified.

Our audit resulted in two finding and recommendations, which we have reviewed with Weakley County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF FINANCE

- ◆ Competitive bids were not solicited for the purchase of bullet resistant barriers for the courthouse.
- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Weakley County Officials

June 30, 2019

Officials

Jake Bynum, County Mayor
Charles Ross, Highway Supervisor
Randy Frazier, Director of Schools
Marci Floyd, Trustee
David Tuck, Assessor of Property
Kim Hughey, County Clerk
Jennifer Killebrew, Circuit and General Sessions Courts Clerk
Regina VanCleave, Clerk and Master
April Jones, Register of Deeds
Michael Wilson, Sheriff
John Liggett, Director of Finance

Board of County Commissioners

Jake Bynum, County Mayor, Chairman	Colton Nanney
David Bell	Dale Overton
Roger Donaldson	Eric Owen
Dennis Doster	James Roy Pope
Bobby Dunlap	Larry Taylor
Gary Eddings	Greg Usery
Donnie Essary	Roger VanCleave
Scott Fortner	Jack Vincent
David Hawks	James Westbrook, Jr.
Larry Hudson	

Board of Education

Steve Vantrease, Chairman
Beau Atkins
Jeff Floyd
Martin Hamlin
John Hatler
Kim Longacre
Gath Meeks
Joshua Moore
Doug Sims

Financial Management Committee

Jake Bynum, Chairman
Charles Ross, Highway Supervisor
Randy Frazier, Director of Schools
Dennis Doster
David Hawks
James Roy Pope
Larry Taylor

Audit Committee

Larry Taylor, Chairman
Charles Covington
Jackie Reese

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

Weakley County Mayor and
Board of County Commissioners
Weakley County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Weakley County Municipal Electric System (a major fund and the entire business-type activities). Also, we did not audit the financial statements of the Weakley County Nursing Home (a discretely presented component unit). Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Weakley County Municipal Electric System and the Weakley County Nursing Home is based solely on the reports of other auditors. We were unable to determine Weakley County Nursing Home's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Weakley County Emergency Communications District, a component unit requiring discrete presentation, was not included in the county's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of

the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County, Tennessee, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension assets, and schedule of school changes in total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We, and other auditors, have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited

procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Weakley County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Weakley County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section and management's corrective action plans are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Weakley County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Weakley County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

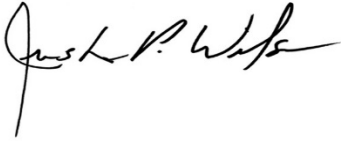
The introductory section and management's corrective action plans have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2020, on our consideration of Weakley County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Weakley

County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Weakley County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 11, 2020

JPW/yu

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Weakley County Government (the county), we offer readers of the county's financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2019. All amounts, unless otherwise indicated, are expressed in actual dollars.

FINANCIAL HIGHLIGHTS

Management believes the county's financial condition is strong. The county is well within its budget and the more stringent financial policies and guidelines set by the county commission and management. The following are key financial highlights.

- Total assets and deferred outflows of resources at year-end exceeded liabilities and deferred inflows of resources by \$60,651,108 (i.e., net position).
- Total revenues of the governmental activities were \$17,841,969, a decrease of \$1,161,192 from fiscal year 2018. This decrease was primarily due to \$1,385,386 less in capital grants and contributions during fiscal year 2019.
- Total expenditures of the governmental activities were \$16,671,787, a decrease of \$2,937,025 from fiscal year 2018.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the financial statements and supplementary information. The MD&A represents management's examination and analysis of the county's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the county's strategic plan, budget, and other management tools were used for this analysis. The Annual Financial Report consists of three sections: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the county's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the county's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The Statement of Activities presents information illustrating the changes in the government's net position during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of

related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements include the Weakley County Government (known as the primary government), and a legally separate nursing home, emergency communications district, and a school district for which the Weakley County Government is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government.

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; other operations; highway/public works; debt service; and capital projects. The government-wide business-type activity is the Weakley County Municipal Electric System.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the county can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Weakley County maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Highway/Public Works, and General Debt Service funds, which are all considered major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The county adopts an annual budget for the General, some special revenue, and the General Debt Service funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits C-1 through C-6 of this report.

Proprietary funds. Weakley County maintains two types of proprietary funds, an enterprise fund and an internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county uses an enterprise fund to account for its municipal electric system. The county uses an internal service fund to account for its central vehicle fueling station. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning pension information and other postemployment benefits information. This required information has been presented in the required supplementary information section of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Weakley County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$23,769,290 at the close of the most recent fiscal year for the governmental activities. The Constitution for the State of Tennessee allows only the local legislative body authorization to issue debt. Therefore, whenever the Weakley County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the Weakley County Government. As of June 30, 2019, Weakley County had outstanding debt totaling \$10,630,172 for capital purposes for the Weakley County Board of Education, but the capital assets are reported in the financial statements of the Weakley County Board of Education. As a result, the county has incurred the related liability without a corresponding increase in the county's capital assets, thereby significantly decreasing its unrestricted net position.

Weakley County Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and Other Assets	\$ 17,068,663	\$ 15,604,490	\$ 15,652,344	\$ 18,405,590	\$ 32,721,007	\$ 34,010,080
Capital Assets	24,821,521	26,525,111	34,130,557	30,934,924	58,952,078	57,460,035
Total Assets	<u>\$ 41,890,184</u>	<u>\$ 42,129,601</u>	<u>\$ 49,782,901</u>	<u>\$ 49,340,514</u>	<u>\$ 91,673,085</u>	<u>\$ 91,470,115</u>
Deferred Outflows of Resources:						
Pension Changes in Experience	\$ 85,171	\$ 118,056	\$ 152,373	\$ 112,610	\$ 237,544	\$ 230,666
Pension Changes in Investment Earnings	0	3,985	0	4,722	0	8,707
Pension Changes in Assumptions	196,568	0	319,028	0	515,596	0
Pension Other Deferrals	0	283,648	0	419,600	0	703,248
Pension Contributions after Measurement Date	462,973	376,268	542,829	517,347	1,005,802	893,615
OPEB Contributions after Measurement Date	0	8,161	0	0	0	8,161
Total Deferred Outflows of Resources	<u>\$ 744,712</u>	<u>\$ 790,118</u>	<u>\$ 1,014,230</u>	<u>\$ 1,054,279</u>	<u>\$ 1,758,942</u>	<u>\$ 1,844,397</u>
Liabilities:						
Other Liabilities	\$ 81,501	\$ 70,109	\$ 9,186,534	\$ 9,849,805	\$ 9,268,035	\$ 9,919,914
Long-term Liabilities Outstanding	10,926,584	13,597,468	4,333,830	4,661,655	15,260,414	18,259,123
Total Liabilities	<u>\$ 11,008,085</u>	<u>\$ 13,667,577</u>	<u>\$ 13,520,364</u>	<u>\$ 14,511,460</u>	<u>\$ 24,528,449</u>	<u>\$ 28,179,037</u>
Deferred Inflows of Resources:						
Deferred Current Property Taxes	\$ 7,365,765	\$ 7,173,036	\$ 0	\$ 0	\$ 7,365,765	\$ 7,173,036
Pension Changes in Experience	423,874	359,196	343,776	550,529	767,650	909,725
Pension Changes in Investment Earnings	67,882	1,994	51,173	5,267	119,055	7,261
OPEB Changes in Assumptions	0	19,614	0	0	0	19,614
Total Deferred Inflows of Resources	<u>\$ 7,857,521</u>	<u>\$ 7,553,840</u>	<u>\$ 394,949</u>	<u>\$ 555,796</u>	<u>\$ 8,252,470</u>	<u>\$ 8,109,636</u>
Net Position:						
Net Investment in Capital Assets	\$ 24,768,311	\$ 26,455,917	\$ 34,130,557	\$ 30,934,924	\$ 58,898,868	\$ 57,390,841
Restricted	2,693,902	1,410,826	62,679	318,900	2,756,581	1,729,726
Unrestricted	(3,692,923)	(6,168,441)	2,688,582	4,073,713	(1,004,341)	(2,094,728)
Total Net Position	<u>\$ 23,769,290</u>	<u>\$ 21,698,302</u>	<u>\$ 36,881,818</u>	<u>\$ 35,327,537</u>	<u>\$ 60,651,108</u>	<u>\$ 57,025,839</u>

By far the largest portion of the county's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Weakley County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Weakley County's investments in capital assets are reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since

the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the county's net position (\$2,693,902) represents resources that are subject to external restrictions on how they may be used.

Weakley County Changes in Net Position							
	Governmental Activities		Business-type Activities		Total		
	2019	2018	2019	2018	2019	2018	
Revenues:							
Program Revenues:							
Charges for Services	\$ 2,407,164	\$ 2,675,090	\$ 48,168,460	\$ 47,719,878	\$ 50,575,624	\$ 50,394,968	
Operating Grants and Contributions	3,710,168	3,664,911	0	0	3,710,168	3,664,911	
Capital Grants and Contributions	264,694	1,650,080	0	0	264,694	1,650,080	
General Revenues:							
Property Taxes	7,382,080	7,302,954	0	0	7,382,080	7,302,954	
Other Taxes	2,069,869	1,973,493	0	0	2,069,869	1,973,493	
Grants and Contributions Not Restricted to Specific Programs	1,616,871	1,569,070	0	0	1,616,871	1,569,070	
Unrestricted Investment Income	379,634	108,730	195,344	98,390	574,978	207,120	
Miscellaneous	11,489	58,833	0	0	11,489	58,833	
Total Revenues	<u>\$ 17,841,969</u>	<u>\$ 19,003,161</u>	<u>\$ 48,363,804</u>	<u>\$ 47,818,268</u>	<u>\$ 66,205,773</u>	<u>\$ 66,821,429</u>	
Expenses:							
General Government	\$ 1,643,989	\$ 1,875,217	\$ 0	\$ 0	\$ 1,643,989	\$ 1,875,217	
Finance	1,345,081	1,258,176	0	0	1,345,081	1,258,176	
Administration of Justice	876,246	1,129,114	0	0	876,246	1,129,114	
Public Safety	4,562,020	4,275,767	0	0	4,562,020	4,275,767	
Public Health and Welfare	326,527	447,703	0	0	326,527	447,703	
Social, Cultural, and Recreational Services	480,747	459,469	0	0	480,747	459,469	
Agriculture and Natural Resources	156,909	162,863	0	0	156,909	162,863	
Highway/Public Works	6,829,395	6,933,366	0	0	6,829,395	6,933,366	
Education	192,609	2,811,672	0	0	192,609	2,811,672	
Interest on Long-term Debt	258,264	255,465	0	0	258,264	255,465	
Public Utility	0	0	46,345,635	46,236,045	46,345,635	46,236,045	
Total Expenses	<u>\$ 16,671,787</u>	<u>\$ 19,608,812</u>	<u>\$ 46,345,635</u>	<u>\$ 46,236,045</u>	<u>\$ 63,017,422</u>	<u>\$ 65,844,857</u>	
Special Items	\$ 436,918	\$ 0	\$ 0	\$ 0	\$ 436,918	\$ 0	
Transfers	463,888	460,676	(463,888)	(460,676)	0	0	
Change in Net Position	\$ 2,070,988	\$ (144,975)	\$ 1,554,281	\$ 1,121,547	\$ 3,625,269	\$ 976,572	
Net Position, July 1	21,698,302	21,893,643	35,327,537	34,205,990	57,025,839	56,099,633	
Restatement	0	(50,366)	0	0	0	(50,366)	
Net Position, June 30	<u>\$ 23,769,290</u>	<u>\$ 21,698,302</u>	<u>\$ 36,881,818</u>	<u>\$ 35,327,537</u>	<u>\$ 60,651,108</u>	<u>\$ 57,025,839</u>	

Financial Analysis of Government's Funds

As noted earlier, the county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Weakley County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the county's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the county's governmental funds reported combined ending fund balances of \$8,206,915, an increase of \$865,401 from the prior year. Of this total amount, \$1,549,730 is restricted with externally enforceable limitations on use, \$4,865,819 is committed by the county legislative body to a specific fund or use, and \$56,409 is assigned for designated usage.

The General Fund is the chief operating fund of the county. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,734,957, while total fund balance was \$2,992,135. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance of the General Fund represents approximately 19 percent of total General Fund expenditures, while total fund balance represents almost 32.8 percent of that same amount.

The General Debt Service Fund has a total fund balance of \$2,913,096, which is an increase of \$623,988 from the prior year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor and can be briefly summarized as follows:

General Government	\$ 54,292
Administration of Justice	(2,236)
Public Safety	1,109
Public Health and Welfare	25,331
Social, Cultural, and Recreational Services	9,186
Agriculture and Natural Resource	11,642
Other Operations	<u>1,667</u>
Total Increase in Budgeted Expenditures	<u>\$ 100,991</u>

During the year, revenues were greater than budgetary estimates while expenditures were significantly less than budgetary estimates, thus reducing the need to draw upon existing fund balance.

Capital Assets and Debt Administration

Capital assets. The county's investment in capital assets for its governmental activities as of June 30, 2019, totaled \$24,821,521 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, other capital assets (includes equipment), and infrastructure (roads, highway, and bridges). The total decrease in Weakley County Government's investment in capital assets for the current fiscal year was \$1,709,590 (net of accumulated depreciation). This decrease was mainly attributable to depreciation expense for the year.

Major capital assets events during the current fiscal year included the following:

- Weakley County Emergency Management purchased a new vehicle.
- The Weakley County Sheriff's Department purchased six new vehicles.
- The highway department made several equipment purchases, including a pneumatic tire roller. They also completed repairs and maintenance to several county roads.
- The Board of Education purchased four school buses, equipment for School Nutrition, and completed renovations to several schools.

Long-term debt. At the end of the current fiscal year, Weakley County had a note payable of \$53,210 and other loans payable of \$10,630,172. All debt is backed by the full faith and credit of the county.

Weakley County's Outstanding Debt
As of June 30, 2019

	<u>Governmental Activities</u>
Note Payable	\$ 53,210
Other Loans Payable	<u>10,630,172</u>
Total	<u><u>\$ 10,683,382</u></u>

Weakley County was re-rated on November 17, 2015, and received an "A1" rating from Moody's for general obligation debt.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate of Weakley County is currently 4.9 percent, which is a decrease from a rate of five percent in June 2018.
- In spring 2018, Dong-A Hwa Sung Co., LTD, a South Korea-based home appliance and automotive supplier, began operations in Martin, Tennessee. The company currently employs approximately 112 people.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the county's budget for the 2020 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of Weakley County Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial

information should be addressed to Director of Finance, Weakley County Government, 8319 Highway 22, Suite B, Dresden, Tennessee 38225 or via email at john.liggett@wcsk12tn.net.

BASIC FINANCIAL STATEMENTS

Exhibit A

Weakley County, Tennessee
Statement of Net Position
June 30, 2019

	Primary Government			Component Units	
	Governmental	Business-type		Weakley	Weakley
	Activities	Activities	Total	County	County
				School	Nursing
				Department	Home
<u>ASSETS</u>					
Cash	\$ 2,477	\$ 9,774,777	\$ 9,777,254	\$ 0	\$ 5,319,131
Equity in Pooled Cash and Investments	7,444,163	0	7,444,163	9,832,048	0
Inventories	0	525,056	525,056	0	58,009
Accounts Receivable	68,690	3,105,305	3,173,995	4,037	673,687
Due from Other Governments	1,061,674	0	1,061,674	1,098,259	0
Due from Component Units	2,589	0	2,589	0	0
Property Taxes Receivable	7,677,221	0	7,677,221	3,755,447	0
Allowance for Uncollectible Property Taxes	(168,100)	0	(168,100)	(82,229)	0
Prepaid Items	0	56,521	56,521	0	9,866
Restricted Assets:					
Amounts Accumulated for Pension Benefits	0	0	0	53,453	0
Other Restricted Assets	0	0	0	0	14,293
Notes Receivable	53,210	2,190,685	2,243,895	0	0
Net Pension Asset - Agent Legacy Pension Plan	922,937	0	922,937	605,715	552,847
Net Pension Asset - Agent Hybrid Pension Plan	3,802	0	3,802	1,733	930
Net Pension Asset - Teacher Retirement Plan	0	0	0	121,841	0
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	1,431,517	0
Capital Assets:					
Assets Not Depreciated:					
Land	1,575,535	421,809	1,997,344	1,968,347	2,371
Construction in Progress	0	1,275,420	1,275,420	0	0
Assets Net of Accumulated Depreciation:					
Land Improvements	0	0	0	0	17,386
Buildings and Improvements	3,176,489	0	3,176,489	30,214,701	1,408,769
Infrastructure	19,636,394	0	19,636,394	0	0
Other Capital Assets	433,103	32,433,328	32,866,431	675,403	608,873
Total Assets	\$ 41,890,184	\$ 49,782,901	\$ 91,673,085	\$ 49,680,272	\$ 8,666,162
<u>DEFERRED OUTFLOW OF RESOURCES</u>					
Pension Changes in Experience	\$ 85,171	\$ 152,373	\$ 237,544	\$ 343,485	\$ 35,685
Pension Changes in Assumptions	196,568	319,028	515,596	979,354	116,222
Pension Changes in Proportion	0	0	0	92,629	75,926
Pension Contributions After Measurement Date	462,973	542,829	1,005,802	1,822,792	225,168
OPEB Changes in Assumptions	0	0	0	61,168	0
OPEB Changes in Proportion	0	0	0	38,645	0
OPEB Contributions After Measurement Date	0	0	0	234,460	0
Total Deferred Outflow of Resources	\$ 744,712	\$ 1,014,230	\$ 1,758,942	\$ 3,572,533	\$ 453,001
<u>LIABILITIES</u>					
Accounts Payable	\$ 10,574	\$ 6,587,968	\$ 6,598,542	\$ 49,632	\$ 160,407
Accrued Payroll	0	0	0	1,934,466	177,700
Payroll Deductions Payable	70,927	0	70,927	1,050,112	23,472
Accrued Leave	0	563,053	563,053	0	63,459
Other Current Liabilities	0	36,549	36,549	0	14,293
Current Liabilities Payable from Restricted Assets:					
Customer Deposits Payable	0	1,998,964	1,998,964	0	0
Noncurrent Liabilities:					
Due Within One Year - Debt	1,700,276	100,000	1,800,276	0	0
Due Within One Year - Other	12,162	0	12,162	2,315	0
Due in More Than One Year - Debt	8,983,106	1,741,429	10,724,535	0	0
Due in More Than One Year - Other	231,040	2,492,401	2,723,441	2,915,464	0
Total Liabilities	\$ 11,008,085	\$ 13,520,364	\$ 24,528,449	\$ 5,951,989	\$ 439,331

(Continued)

Exhibit A

Weakley County, Tennessee
Statement of Net Position (Cont.)

	Primary Government			Component Units	
	Governmental	Business-type		Weakley County School Department	Weakley County Nursing Home
	Activities	Activities	Total		
<u>DEFERRED INFLOW OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 7,365,765	\$ 0	\$ 7,365,765	\$ 3,603,092	\$ 0
Pension Changes in Experience	423,874	343,776	767,650	2,214,268	253,904
Pension Changes in Investment Earnings	67,882	51,173	119,055	362,273	39,392
Pension Changes in Proportion	0	0	0	138,613	71,257
OPEB Changes in Experience	0	0	0	453,671	0
OPEB Changes in Assumptions	0	0	0	117,321	0
Total Deferred Inflow of Resources	<u>\$ 7,857,521</u>	<u>\$ 394,949</u>	<u>\$ 8,252,470</u>	<u>\$ 6,889,238</u>	<u>\$ 364,553</u>
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 24,768,311	\$ 34,130,557	\$ 58,898,868	\$ 32,858,451	\$ 2,037,399
Restricted for:					
General Government	75,159	0	75,159	0	0
Finance	26,839	0	26,839	0	0
Administration of Justice	117,923	0	117,923	0	0
Public Safety	214,540	0	214,540	0	0
Public Health and Welfare	141,593	0	141,593	0	0
Social, Cultural, and Recreational Services	24,102	0	24,102	0	0
Highway/Public Works	174,513	0	174,513	0	0
Debt Service	633,004	0	633,004	0	0
Capital Projects	359,490	62,679	422,169	586,214	0
Education	0	0	0	141,443	0
Operation of Non-instructional Services	0	0	0	820,864	0
Hybrid Retirement Stabilization Funds	0	0	0	53,453	0
Pensions	926,739	0	926,739	2,160,806	553,777
Unrestricted	<u>(3,692,923)</u>	<u>2,688,582</u>	<u>(1,004,341)</u>	<u>3,790,347</u>	<u>5,724,103</u>
Total Net Position	<u>\$ 23,769,290</u>	<u>\$ 36,881,818</u>	<u>\$ 60,651,108</u>	<u>\$ 40,411,578</u>	<u>\$ 8,315,279</u>

The notes to the financial statements are an integral part of this statement.

Exhibit B

Weakley County, Tennessee
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs		Expenses		Program Revenues			Net (Expense) Revenue and Changes in Net Position											
				Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units								
							Governmental Activities	Business-type Activities	Total	Weakley County School Department	Weakley County Nursing Home							
Primary Government:																		
Governmental Activities:																		
General Government	\$	1,643,989	\$	171,740	\$	15,164	\$	0	\$	(1,457,085)	\$	0	\$	0				
Finance		1,345,081		804,190		3,000		0		(537,891)		0		0				
Administration of Justice		876,246		579,001		142,016		0		(155,229)		0		0				
Public Safety		4,562,020		777,542		57,612		32,155		(3,694,711)		0		0				
Public Health and Welfare		326,527		26,983		53,232		0		(246,312)		0		0				
Social, Cultural, and Recreational Services		480,747		44,498		112,060		0		(324,189)		0		0				
Agriculture and Natural Resources		156,909		0		0		0		(156,909)		0		0				
Highways/Public Works		6,829,395		3,210		2,705,279		232,539		(3,888,367)		0		0				
Education		192,609		0		197,015		0		4,406		0		0				
Interest on Long-term Debt		258,264		0		424,790		0		166,526		0		0				
Total Governmental Activities	\$	16,671,787	\$	2,407,164	\$	3,710,168	\$	264,694	\$	(10,289,761)	\$	0	\$	0				
Business-type Activities:																		
Public Utility	\$	46,345,635	\$	48,168,460	\$	0	\$	0	\$	0	\$	1,822,825	\$	1,822,825	\$	0	\$	0
Total Primary Government	\$	63,017,422	\$	50,575,624	\$	3,710,168	\$	264,694	\$	(10,289,761)	\$	1,822,825	\$	(8,466,936)	\$	0	\$	0
Component Units:																		
Weakley County School Department	\$	34,935,238	\$	862,509	\$	6,069,256	\$	0	\$	0	\$	0	\$	0	\$	(28,003,473)	\$	0
Weakley County Nursing Home		6,977,955		7,364,401		0		0		0		0		0		0		386,446
Total Component Units	\$	41,913,193	\$	8,226,910	\$	6,069,256	\$	0	\$	0	\$	0	\$	0	\$	(28,003,473)	\$	386,446

(Continued)

Exhibit B

Weakley County, Tennessee
Statement of Activities (Cont.)

					Net (Expense) Revenue and Changes in Net Position				
Program Revenues								Component Units	
					Primary Government			Weakley County School Department	Weakley County Nursing Home
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total		
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					\$ 4,762,098	\$ 0	\$ 4,762,098	\$ 3,618,142	\$ 0
Property Taxes Levied for Debt Service					2,619,982	0	2,619,982	0	0
Local Option Sales Taxes					337,924	0	337,924	4,162,659	0
Hotel/Motel Tax					182,249	0	182,249	0	0
Wheel Tax					919,269	0	919,269	131,324	0
Litigation Taxes					188,574	0	188,574	0	0
Business Tax					283,894	0	283,894	0	0
Mineral Severance Tax					126,873	0	126,873	0	0
Other Local Taxes					31,086	0	31,086	25,793	0
Grants and Contributions Not Restricted to Specific Programs					1,616,871	0	1,616,871	22,693,724	0
Unrestricted Investment Income					379,634	195,344	574,978	0	110,102
Miscellaneous					11,489	0	11,489	143,172	0
Total General Revenues					\$ 11,459,943	\$ 195,344	\$ 11,655,287	\$ 30,774,814	\$ 110,102
Special Items					\$ 436,918	\$ 0	\$ 436,918	\$ 0	\$ 107,307
Transfers					463,888	(463,888)	0	0	0
Change in Net Position					\$ 2,070,988	\$ 1,554,281	\$ 3,625,269	\$ 2,771,341	\$ 603,855
Net Position, July 1, 2018					21,698,302	35,327,537	57,025,839	37,640,237	7,675,512
Prior-period Adjustment - See Note VII.C.2.					0	0	0	0	35,912
Net Position, June 30, 2019					\$ 23,769,290	\$ 36,881,818	\$ 60,651,108	\$ 40,411,578	\$ 8,315,279

The notes to the financial statements are an integral part of this statement.

Exhibit C-1

Weakley County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 2,477	\$ 2,477
Equity in Pooled Cash and Investments	2,701,694	1,193,862	2,851,903	642,923	7,390,382
Accounts Receivable	36,970	14,529	41	17,150	68,690
Due from Other Governments	376,788	684,886	0	0	1,061,674
Due from Other Funds	19,484	0	0	0	19,484
Due from Component Units	646	0	0	0	646
Property Taxes Receivable	3,843,537	1,109,826	2,723,858	0	7,677,221
Allowance for Uncollectible Property Taxes	(84,158)	(24,300)	(59,642)	0	(168,100)
Notes Receivable - Long-term	0	0	53,210	0	53,210
Total Assets	\$ 6,894,961	\$ 2,978,803	\$ 5,569,370	\$ 662,550	\$ 16,105,684
<u>LIABILITIES</u>					
Accounts Payable	\$ 10,574	\$ 0	\$ 0	\$ 0	\$ 10,574
Payroll Deductions Payable	57,822	13,049	0	56	70,927
Due to Other Funds	0	0	0	19,484	19,484
Total Liabilities	\$ 68,396	\$ 13,049	\$ 0	\$ 19,540	\$ 100,985
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 3,687,609	\$ 1,064,802	\$ 2,613,354	\$ 0	\$ 7,365,765
Deferred Delinquent Property Taxes	60,566	17,491	42,920	0	120,977
Other Deferred/Unavailable Revenue	86,255	224,787	0	0	311,042
Total Deferred Inflows of Resources	\$ 3,834,430	\$ 1,307,080	\$ 2,656,274	\$ 0	\$ 7,797,784

(Continued)

Exhibit C-1

Weakley County, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 75,159	\$ 0	\$ 0	\$ 0	\$ 75,159
Restricted for Finance	26,839	0	0	0	26,839
Restricted for Administration of Justice	117,923	0	0	0	117,923
Restricted for Public Safety	52,529	0	0	162,011	214,540
Restricted for Public Health and Welfare	20,084	0	0	121,509	141,593
Restricted for Social, Cultural, and Recreational Services	24,102	0	0	0	24,102
Restricted for Debt Service	0	0	590,084	0	590,084
Restricted for Capital Projects	0	0	0	359,490	359,490
Committed:					
Committed for General Government	884,133	0	0	0	884,133
Committed for Highways/Public Works	0	1,658,674	0	0	1,658,674
Committed for Debt Service	0	0	2,323,012	0	2,323,012
Assigned:					
Assigned for General Government	14,246	0	0	0	14,246
Assigned for Public Safety	41,026	0	0	0	41,026
Assigned for Public Health and Welfare	35	0	0	0	35
Assigned for Social, Cultural, and Recreational Services	1,102	0	0	0	1,102
Unassigned	1,734,957	0	0	0	1,734,957
Total Fund Balances	<u>\$ 2,992,135</u>	<u>\$ 1,658,674</u>	<u>\$ 2,913,096</u>	<u>\$ 643,010</u>	<u>\$ 8,206,915</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,894,961</u>	<u>\$ 2,978,803</u>	<u>\$ 5,569,370</u>	<u>\$ 662,550</u>	<u>\$ 16,105,684</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-2

Weakley County, Tennessee

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2019

Amounts reported for governmental activities in the
statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	8,206,915
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,575,535	
Add: buildings and improvements net of accumulated depreciation		3,176,489	
Add: infrastructure net of accumulated depreciation		19,636,394	
Add: other capital assets net of accumulated depreciation		<u>433,103</u>	24,821,521
(2) An internal service fund is used by management to charge the costs of a central vehicle fueling station to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.			55,724
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: note payable	\$	(53,210)	
Less: other loans payable		(10,630,172)	
Less: compensated absences payable		<u>(243,202)</u>	(10,926,584)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$	744,712	
Less: deferred inflows of resources related to pensions		<u>(491,756)</u>	252,956
(5) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent legacy pension plan	\$	922,937	
Add: net pension asset - agent hybrid pension plan		<u>3,802</u>	926,739
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>432,019</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>23,769,290</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-3

Weakley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 5,220,658	\$ 2,117,115	\$ 2,672,464	\$ 440	\$ 10,010,677
Licenses and Permits	36,243	3,210	0	0	39,453
Fines, Forfeitures, and Penalties	165,085	0	0	22,916	188,001
Charges for Current Services	139,736	0	0	26,983	166,719
Other Local Revenues	45,696	6,988	379,634	885	433,203
Fees Received From County Officials	1,314,363	0	0	0	1,314,363
State of Tennessee	1,974,232	2,929,813	0	0	4,904,045
Federal Government	34,666	0	0	0	34,666
Other Governments and Citizens Groups	84,336	0	424,790	0	509,126
Total Revenues	\$ 9,015,015	\$ 5,057,126	\$ 3,476,888	\$ 51,224	\$ 17,600,253
<u>Expenditures</u>					
Current:					
General Government	\$ 1,001,701	\$ 0	\$ 0	\$ 0	\$ 1,001,701
Finance	1,320,797	0	0	0	1,320,797
Administration of Justice	1,075,287	0	0	0	1,075,287
Public Safety	4,098,096	0	0	53,690	4,151,786
Public Health and Welfare	276,386	0	0	18,934	295,320
Social, Cultural, and Recreational Services	464,750	0	0	0	464,750
Agriculture and Natural Resources	152,377	0	0	0	152,377
Other Operations	736,576	0	0	0	736,576
Highways	0	5,327,907	0	0	5,327,907
Debt Service:					
Principal on Debt	0	0	2,231,793	0	2,231,793
Interest on Debt	0	0	258,264	0	258,264
Other Debt Service	0	0	77,466	0	77,466

(Continued)

Exhibit C-3

Weakley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 111,869	\$ 111,869
Total Expenditures	\$ 9,125,970	\$ 5,327,907	\$ 2,567,523	\$ 184,493	\$ 17,205,893
 Excess (Deficiency) of Revenues Over Expenditures	 \$ (110,955)	 \$ (270,781)	 \$ 909,365	 \$ (133,269)	 \$ 394,360
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 0	\$ 7,153	\$ 0	\$ 0	\$ 7,153
Transfers In	232,255	67,010	164,623	450,000	913,888
Transfers Out	0	0	(450,000)	0	(450,000)
Total Other Financing Sources (Uses)	\$ 232,255	\$ 74,163	\$ (285,377)	\$ 450,000	\$ 471,041
 Net Change in Fund Balances	 \$ 121,300	 \$ (196,618)	 \$ 623,988	 \$ 316,731	 \$ 865,401
Fund Balance, July 1, 2018	2,870,835	1,855,292	2,289,108	326,279	7,341,514
 Fund Balance, June 30, 2019	 \$ 2,992,135	 \$ 1,658,674	 \$ 2,913,096	 \$ 643,010	 \$ 8,206,915

The notes to the financial statements are an integral part of this statement.

Exhibit C-4

Weakley County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2019

Amounts reported for governmental activities in the
statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)	\$	865,401
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$	1,419,419
Less: current-year depreciation expense		(3,155,164)
		(1,735,745)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		
Add: assets donated and capitalized		32,155
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2019	\$	432,019
Less: deferred delinquent property taxes and other deferred June 30, 2018		(423,333)
		8,686
(4) The issuance of long-term debt (e.g., notes and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Add: principal payments on note	\$	15,984
Add: principal payments on other loans		2,215,809
		2,231,793
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$	12,065
Change in net pension asset - agent legacy pension plan		371,045
Change in net pension asset - agent hybrid pension plan		5,363
Change in deferred outflows related to pensions		(37,245)
Change in deferred inflows related to pensions		(130,566)
Change in net OPEB liability		425,465
Change in deferred outflows related to OPEB		(8,161)
Change in deferred inflows related to OPEB		19,614
		657,580
(6) An internal service fund is used by management to charge the costs of a central vehicle fueling station to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		
		11,118
Change in net position of governmental activities (Exhibit B)	\$	2,070,988

The notes to the financial statements are an integral part of this statement.

Exhibit C-5

Weakley County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 5,220,658	\$ 0	\$ 0	\$ 5,220,658	\$ 5,289,591	\$ 5,059,419	\$ 161,239
Licenses and Permits	36,243	0	0	36,243	35,000	35,000	1,243
Fines, Forfeitures, and Penalties	165,085	0	0	165,085	190,600	190,600	(25,515)
Charges for Current Services	139,736	0	0	139,736	144,107	148,788	(9,052)
Other Local Revenues	45,696	0	0	45,696	33,939	52,323	(6,627)
Fees Received From County Officials	1,314,363	0	0	1,314,363	1,328,000	1,328,000	(13,637)
State of Tennessee	1,974,232	0	0	1,974,232	1,967,161	2,009,363	(35,131)
Federal Government	34,666	0	0	34,666	76,607	76,607	(41,941)
Other Governments and Citizens Groups	84,336	0	0	84,336	100,000	100,000	(15,664)
Total Revenues	\$ 9,015,015	\$ 0	\$ 0	\$ 9,015,015	\$ 9,165,005	\$ 9,000,100	\$ 14,915
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 103,434	\$ (528)	\$ 0	\$ 102,906	\$ 122,044	\$ 122,044	\$ 19,138
County Mayor/Executive	184,141	(55)	0	184,086	192,277	192,277	8,191
County Attorney	1,828	0	0	1,828	7,050	7,050	5,222
Election Commission	240,285	0	10,486	250,771	278,500	278,500	27,729
Register of Deeds	200,140	0	0	200,140	200,967	200,967	827
County Buildings	264,620	(2,018)	3,760	266,362	218,367	272,659	6,297
Preservation of Records	7,253	0	0	7,253	23,954	23,954	16,701
<u>Finance</u>							
Accounting and Budgeting	394,488	0	0	394,488	401,580	401,580	7,092
Property Assessor's Office	258,494	0	0	258,494	277,175	277,175	18,681
Reappraisal Program	74,062	0	0	74,062	95,515	95,515	21,453
County Trustee's Office	229,677	0	0	229,677	233,016	233,016	3,339
County Clerk's Office	364,076	0	0	364,076	371,540	371,540	7,464
<u>Administration of Justice</u>							
Circuit Court	247,231	0	0	247,231	254,615	254,615	7,384
General Sessions Court	257,759	(10,000)	0	247,759	253,331	253,331	5,572
Chancery Court	260,105	0	0	260,105	273,709	271,473	11,368

(Continued)

Exhibit C-5

Weakley County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
Juvenile Court	\$ 245,600	\$ 0	\$ 0	\$ 245,600	\$ 283,119	\$ 283,119	\$ 37,519
District Attorney General	42,280	0	0	42,280	42,592	42,592	312
Probation Services	22,312	0	0	22,312	62,747	62,747	40,435
<u>Public Safety</u>							
Sheriff's Department	1,857,678	(1,150)	38,816	1,895,344	2,019,455	1,987,928	92,584
Special Patrols	148,692	0	2,210	150,902	382,498	382,498	231,596
Traffic Control	461,319	0	0	461,319	471,644	471,644	10,325
Jail	1,433,749	(48)	0	1,433,701	1,529,968	1,562,604	128,903
Fire Prevention and Control	40,000	0	0	40,000	42,000	42,000	2,000
Civil Defense	146,933	0	0	146,933	150,538	150,538	3,605
Rescue Squad	5,500	0	0	5,500	5,500	5,500	0
County Coroner/Medical Examiner	4,225	0	0	4,225	7,000	7,000	2,775
<u>Public Health and Welfare</u>							
Local Health Center	70,613	0	35	70,648	77,549	77,549	6,901
Ambulance/Emergency Medical Services	117,500	0	0	117,500	117,500	117,500	0
Maternal and Child Health Services	25,000	0	0	25,000	25,000	25,000	0
General Welfare Assistance	40,331	0	0	40,331	16,000	41,331	1,000
Other Local Welfare Services	22,942	0	0	22,942	42,503	42,503	19,561
<u>Social, Cultural, and Recreational Services</u>							
Adult Activities	161,297	(850)	0	160,447	160,135	162,235	1,788
Senior Citizens Assistance	75,248	(746)	127	74,629	76,351	78,137	3,508
Libraries	228,205	0	975	229,180	236,785	242,085	12,905
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	77,647	0	0	77,647	99,942	99,942	22,295
Soil Conservation	40,428	0	0	40,428	39,951	41,019	591
Flood Control	34,302	0	0	34,302	23,728	34,302	0
<u>Other Operations</u>							
Other Economic and Community Development	318,800	0	0	318,800	318,800	318,800	0
Veterans' Services	64,185	0	0	64,185	68,675	68,675	4,490

(Continued)

Exhibit C-5

Weakley County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Other Charges	\$ 4,775	\$ 0	\$ 0	\$ 4,775	\$ 4,775	\$ 4,775	\$ 0
Contributions to Other Agencies	35,624	0	0	35,624	37,624	37,624	2,000
Employee Benefits	37,888	0	0	37,888	40,000	40,000	2,112
Miscellaneous	275,304	0	0	275,304	273,802	275,469	165
Total Expenditures	\$ 9,125,970	\$ (15,395)	\$ 56,409	\$ 9,166,984	\$ 9,859,821	\$ 9,960,812	\$ 793,828
Excess (Deficiency) of Revenues Over Expenditures	\$ (110,955)	\$ 15,395	\$ (56,409)	\$ (151,969)	\$ (694,816)	\$ (960,712)	\$ 808,743
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 232,255	\$ 0	\$ 0	\$ 232,255	\$ 13,000	\$ 243,172	\$ (10,917)
Transfers Out	0	0	0	0	(8,417)	(8,417)	8,417
Total Other Financing Sources	\$ 232,255	\$ 0	\$ 0	\$ 232,255	\$ 4,583	\$ 234,755	\$ (2,500)
Net Change in Fund Balance	\$ 121,300	\$ 15,395	\$ (56,409)	\$ 80,286	\$ (690,233)	\$ (725,957)	\$ 806,243
Fund Balance, July 1, 2018	2,870,835	(15,395)	0	2,855,440	2,313,901	2,313,901	541,539
Fund Balance, June 30, 2019	\$ 2,992,135	\$ 0	\$ (56,409)	\$ 2,935,726	\$ 1,623,668	\$ 1,587,944	\$ 1,347,782

The notes to the financial statements are an integral part of this statement.

Exhibit C-6

Weakley County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,117,115	\$ 0	\$ 0	\$ 2,117,115	\$ 2,166,150	\$ 2,102,140	\$ 14,975
Licenses and Permits	3,210	0	0	3,210	2,000	2,000	1,210
Other Local Revenues	6,988	0	0	6,988	2,500	2,500	4,488
State of Tennessee	2,929,813	0	0	2,929,813	5,850,922	5,850,922	(2,921,109)
Federal Government	0	0	0	0	2,000	2,000	(2,000)
Total Revenues	\$ 5,057,126	\$ 0	\$ 0	\$ 5,057,126	\$ 8,023,572	\$ 7,959,562	\$ (2,902,436)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 166,807	\$ 0	\$ 500	\$ 167,307	\$ 177,270	\$ 177,270	\$ 9,963
Highway and Bridge Maintenance	3,412,622	(97,330)	0	3,315,292	3,265,243	3,715,243	399,951
Operation and Maintenance of Equipment	649,509	0	7,315	656,824	720,131	720,131	63,307
Litter and Trash Collection	51,785	0	0	51,785	54,000	54,000	2,215
Other Charges	139,380	0	0	139,380	143,333	143,333	3,953
Employee Benefits	127,565	0	0	127,565	113,994	127,566	1
Capital Outlay	780,239	(605,894)	632,634	806,979	3,997,457	3,547,457	2,740,478
Total Expenditures	\$ 5,327,907	\$ (703,224)	\$ 640,449	\$ 5,265,132	\$ 8,471,428	\$ 8,485,000	\$ 3,219,868
Excess (Deficiency) of Revenues Over Expenditures	\$ (270,781)	\$ 703,224	\$ (640,449)	\$ (208,006)	\$ (447,856)	\$ (525,438)	\$ 317,432
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 7,153	\$ 0	\$ 0	\$ 7,153	\$ 0	\$ 0	\$ 7,153
Transfers In	67,010	0	0	67,010	2,000	67,010	0
Transfers Out	0	0	0	0	(2,431)	(2,431)	2,431
Total Other Financing Sources	\$ 74,163	\$ 0	\$ 0	\$ 74,163	\$ (431)	\$ 64,579	\$ 9,584
Net Change in Fund Balance	\$ (196,618)	\$ 703,224	\$ (640,449)	\$ (133,843)	\$ (448,287)	\$ (460,859)	\$ 327,016
Fund Balance, July 1, 2018	1,855,292	(703,224)	0	1,152,068	1,325,491	1,325,491	(173,423)
Fund Balance, June 30, 2019	\$ 1,658,674	\$ 0	\$ (640,449)	\$ 1,018,225	\$ 877,204	\$ 864,632	\$ 153,593

The notes to the financial statements are an integral part of this statement.

Exhibit D-1

Weakley County, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities Major Fund Weakley County Municipal Electric System	Governmental Activities - Internal Service Fund Central Maintenance/ Garage
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 9,774,777	\$ 0
Equity in Pooled Cash and Investments	0	42,127
Inventories	525,056	0
Accounts Receivable	3,105,305	0
Due from Other Funds	0	11,654
Due from Component Units	0	1,943
Prepaid Items	56,521	0
Total Current Assets	<u>\$ 13,461,659</u>	<u>\$ 55,724</u>
Noncurrent Assets:		
Notes Receivable	\$ 2,190,685	\$ 0
Capital Assets:		
Assets Not Depreciated:		
Land	421,809	0
Construction in Progress	1,275,420	0
Assets Net of Accumulated Depreciation:		
Other Capital Assets	32,433,328	0
Total Noncurrent Assets	<u>\$ 36,321,242</u>	<u>\$ 0</u>
Total Assets	<u>\$ 49,782,901</u>	<u>\$ 55,724</u>
<u>DEFERRED OUTFLOWS</u>		
Pension Changes in Experience	\$ 152,373	\$ 0
Pension Changes in Assumptions	319,028	0
Pension Contributions after Measurement Date	542,829	0
Total Deferred Outflows	<u>\$ 1,014,230</u>	<u>\$ 0</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 6,587,968	\$ 0
Accrued Leave	563,053	0
Other Current Liabilities	36,549	0
Current Liabilities Payable from Restricted Assets:		
Customer Deposits Payable	1,998,964	0
Total Current Liabilities	<u>\$ 9,186,534</u>	<u>\$ 0</u>
Noncurrent Liabilities:		
Due Within One Year - Debt	\$ 100,000	\$ 0
Due in More Than One Year - Debt	1,741,429	0
Due in More Than One Year - Other	2,492,401	0
Total Noncurrent Liabilities	<u>\$ 4,333,830</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 13,520,364</u>	<u>\$ 0</u>

(Continued)

Exhibit D-1

Weakley County, Tennessee
Statement of Net Position
Proprietary Funds (Cont.)

	Business-type Activities	Governmental Activities - Internal
	Major Fund	Service Fund
	Weakley County Municipal Electric System	Central Maintenance/ Garage
<u>DEFERRED INFLOWS</u>		
Pension Changes in Experience	\$ 343,776	\$ 0
Pension Changes in Investment Earnings	51,173	0
Total Deferred Inflows	<u>\$ 394,949</u>	<u>\$ 0</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 34,130,557	\$ 0
Restricted for Capital Projects	62,679	0
Unrestricted	<u>2,688,582</u>	<u>55,724</u>
Total Net Position	<u><u>\$ 36,881,818</u></u>	<u><u>\$ 55,724</u></u>

The notes to the financial statements are an integral part of this statement.

Exhibit D-2

Weakley County, Tennessee

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2019

	Business-type Activities Major Fund	Governmental Activities - Internal Service Fund
	Weakley County Municipal Electric System	Central Maintenance/ Garage
<u>Operating Revenues</u>		
<u>Sale of Electric Energy</u>		
Residential and Rural	\$ 25,721,552	\$ 0
Small Commercial	5,001,910	0
Large Commercial	15,082,526	0
Street and Outdoor Lighting	1,129,462	0
<u>Other Electric Revenues</u>		
Consumer Forfeited Discounts	294,497	0
Rent from Electric Property	793,457	0
Service Charge - Meter Sets	79,717	0
Miscellaneous	65,339	0
<u>Other Local Revenues</u>		
Sale of Gasoline	0	497,148
Total Operating Revenues	\$ 48,168,460	\$ 497,148
<u>Operating Expenses</u>		
Purchased Power	\$ 38,548,043	\$ 0
<u>Operation Expense</u>		
<u>Transmission Expense</u>		
Overhead Wire Expense	3,300	0
Station Expense	30,946	0
<u>Distribution Expense</u>		
Supervision and Engineering	186,293	0
Station Expense	40,920	0
Overhead Line Expense	797,934	0
Underground Line Expense	54,191	0
Street Lighting and Signal Systems	4,892	0
Removing and Resetting Meters	223,858	0
Services on Customers' Premises	26,921	0
Miscellaneous Distribution Expense	40,245	0
Rents	21,110	0
<u>Customer Accounts Expense</u>		
Supervision and Accounting	23,455	0
Meter Reading	281,647	0
Records and Collection	746,645	0
<u>Customer Service and Sales Expense</u>		
Supervision	15,637	0
Customer Assistance	40,901	0
Miscellaneous Sales Expense	104,320	0
<u>Administrative and General Expense</u>		
Salaries	456,247	0
Office Supplies and Expense	155,447	0
Outside Services	14,814	0
Insurance	57,859	0

(Continued)

Exhibit D-2

Weakley County, Tennessee

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds (Cont.)

	Business-type Activities Major Fund	Governmental Activities - Internal Service Fund
	Weakley County Municipal Electric System	Central Maintenance/ Garage
<u>Operating Expenses (Cont.)</u>		
<u>Administrative and General Expense (Cont.)</u>		
Injuries and Damages	\$ 123,525	\$ 0
Employee Pension and Benefits	413,551	0
Dues	46,113	0
Miscellaneous	35,705	0
<u>Maintenance Expense</u>		
<u>Transmission Maintenance</u>		
Station Equipment	2,562	0
Overhead Lines	85,317	0
<u>Distribution Maintenance</u>		
Station Equipment	21,000	0
Overhead Lines	1,018,177	0
Underground Lines	19,708	0
Line Transformers and Devices	49,354	0
Street Lights and Signal Systems	8,114	0
Meters	19,573	0
Security Lights	18,767	0
Miscellaneous	846	0
<u>Administrative and General Maintenance</u>		
Structures and Improvements	81,334	0
Communications Equipment	2,576	0
Fiber Optic	10,034	0
<u>Other Facilities</u>		
Legal Notices, Recording, and Court Costs	0	52
Diesel Fuel	0	375,470
Gasoline	0	107,219
Other Supplies and Materials	0	3,289
Depreciation and Amortization	1,993,704	0
Tax Equivalent	349,200	0
Payroll Taxes	154,618	0
Total Operating Expenses	\$ 46,329,403	\$ 486,030
Operating Income	\$ 1,839,057	\$ 11,118
<u>Nonoperating Revenues (Expenses)</u>		
Investment Income	\$ 195,344	\$ 0
Other Interest Expense	(16,232)	0
Total Nonoperating Revenues (Expenses)	\$ 179,112	\$ 0
Income Before Transfers	\$ 2,018,169	\$ 11,118
Transfers In (Out)	(463,888)	0
Change in Net Position	\$ 1,554,281	\$ 11,118
Net Position, July 1, 2018	35,327,537	44,606
Net Position, June 30, 2019	\$ 36,881,818	\$ 55,724

The notes to the financial statements are an integral part of this statement.

Exhibit D-3

Weakley County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities	Governmental Activities - Internal Service Fund
	Major Fund	Central
	Weakley County Municipal Electric System	Maintenance/ Garage
<u>Cash Flows from Operating Activities</u>		
Cash Received from Customers and Users	\$ 48,563,975	\$ 497,335
Cash Payments to Suppliers for Goods and Services	(41,118,650)	(486,030)
Cash Payments to Employees for Services	(3,873,871)	0
Net Cash Advanced on Conservation Loans Receivable	(71,039)	0
Net Cash Proceeds from Conservation Loans Payable	75,754	0
Net Cash Provided By (Used In) Operating Activities	<u>\$ 3,576,169</u>	<u>\$ 11,305</u>
<u>Cash Flows from Noncapital Financing Activities</u>		
Interest Paid	\$ (16,232)	\$ 0
Transfers to Other Funds	(463,888)	0
Payments of USDA Loan Payable	(100,000)	0
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (580,120)</u>	<u>\$ 0</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Additions to Plant	\$ (5,201,764)	\$ 0
Removal Cost	(193,349)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (5,395,113)</u>	<u>\$ 0</u>
<u>Cash Flows from Investing Activities</u>		
Interest Received	\$ 195,344	\$ 0
Proceeds Advanced on Notes Receivable	(292,500)	0
Payments Received on Notes Receivable	176,728	0
Net Cash Provided By (Used In) Investing Activities	<u>\$ 79,572</u>	<u>\$ 0</u>
Net Increase in Cash	\$ (2,319,492)	\$ 11,305
Cash, July 1, 2018	<u>12,094,269</u>	<u>30,822</u>
Cash, June 30, 2019	<u><u>\$ 9,774,777</u></u>	<u><u>\$ 42,127</u></u>

(Continued)

Exhibit D-3

Weakley County, Tennessee
Statement of Cash Flows
Proprietary Funds (Cont.)

	Business-type Activities Major Fund	Governmental Activities - Internal Service Fund
	Weakley County Municipal Electric System	Central Maintenance/ Garage
<u>Reconciliation of Operating Income to</u> <u>Net Cash Provided By (Used In) Operating Activities</u>		
Operating Income	\$ 1,839,057	\$ 11,118
Adjustments to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:		
Depreciation and Amortization	2,151,373	0
Change In:		
Inventories	221,766	0
Accounts Receivable	132,702	0
Due from Other Funds	0	64
Due from Component Units	0	123
Prepaid Items	314,204	0
Notes Receivable	(71,039)	0
Accounts Payable	(980,969)	0
Accrued Leave	49,547	0
Other Current Liabilities	5,338	0
Customer Deposits Payable	262,813	0
Conservation Loans Payable	75,754	0
Net Pension Liability	(303,579)	0
Deferred Outflows of Resources Related to Pensions	40,049	
Deferred Inflows of Resources Related to Pensions	(160,847)	0
Net Cash Provided By (Used In) Operating Activities	<u>\$ 3,576,169</u>	<u>\$ 11,305</u>
<u>Reconciliation of Cash With the Statement of Net Position</u>		
Cash Per Net Position	<u>\$ 9,774,777</u>	<u>\$ 42,127</u>
Cash, June 30, 2019	<u>\$ 9,774,777</u>	<u>\$ 42,127</u>

The notes to the financial statements are an integral part of this statement.

Exhibit E

Weakley County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 935,851
Equity in Pooled Cash and Investments	411,245
Due from Other Governments	<u>636,117</u>
Total Assets	<u>\$ 1,983,213</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 931,647
Due to Litigants, Heirs, and Others	<u>1,051,566</u>
Total Liabilities	<u>\$ 1,983,213</u>

The notes to the financial statements are an integral part of this statement.

WEAKLEY COUNTY, TENNESSEE

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WEAKLEY COUNTY, TENNESSEE
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WEAKLEY COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Weakley County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Weakley County:

A. Reporting Entity

Weakley County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Weakley County (the primary government) and its component units. The financial statements of the Weakley County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of the omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Weakley County School Department operates the public school system in the county, and the voters of Weakley County elect its board. The school department is fiscally dependent on the county because it may not issue debt and its budget and property tax levy are subject to the county commission's approval. The school department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Weakley County Nursing Home provides intermediate health care to the citizens of Weakley County, and the Weakley County Commission appoints its governing body. Before the issuance of any debt instruments, the nursing home must obtain the county commission's approval.

The Weakley County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Weakley County, and the Weakley County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's

approval. The financial statements of the Weakley County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Weakley County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the school department are included in this report as listed in the table of contents. Complete financial statements of the Weakley County Emergency Communications District and the Weakley County Nursing Home can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Weakley County Emergency Communications District
P.O. Box 911
Dresden, TN 38225

Weakley County Nursing Home
700 Nursing Home Road
Dresden, TN 38225

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the Statement of Activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Weakley County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Weakley County issues all debt for the discretely presented Weakley County School Department. There were no debt issues contributed by the county to the school department during the year ended June 30, 2019.

Separate financial statements are provided for governmental funds, proprietary funds (internal service and enterprise), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Weakley County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Weakley County reports two proprietary funds (internal service and enterprise).

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The internal service fund and the fiduciary funds in total are reported in single columns by fund type.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Weakley County considers grants and similar revenues to be available if they are collected within 120 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary funds and fiduciary funds financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Weakley County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Highway/Public Works Fund – This special revenue fund accounts for transactions of the county’s highway department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Weakley County reports the following major proprietary fund:

Public Utility Fund – This fund is used to account for the operations of the Weakley County Municipal Electric System, which is financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services to the general public on a continuing basis can be financed or recovered primarily through user charges.

Additionally, Weakley County reports the following fund types:

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Internal Service Fund – The Central Maintenance/Garage Fund is used to account for the county's central vehicle fueling station. The various county departments are billed for their fuel usage and the payments are placed in this fund to pay the fuel costs.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Weakley County, restricted revenues held for the benefit of the Office of District Attorney General, and funds collected and held in a custodial capacity for a watershed district. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Weakley County School Department reports the following major governmental fund:

General Purpose School Fund – This fund is the primary operating fund for the school department. It is used to account for general operations of the school department.

Additionally, the Weakley County School Department reports the following fund types:

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the school department.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has two proprietary funds, the Weakley County Municipal Electric System (enterprise fund) and a central maintenance/garage (internal service fund). Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the county's internal service fund are charges for fuel sales. Operating expenses for the internal service fund include general operating expenses and fuel purchases.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

For purposes of the Statement of Cash Flows of the primary government (excluding the Weakley County Municipal Electric System), cash includes cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; the State Treasurer's Intermediate Term investment Fund; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Weakley County Municipal Electric System, enterprise fund) and the discretely presented Weakley County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Weakley County (excluding the Weakley County Municipal Electric System, enterprise fund) and the school department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost.

Investments in the State Treasurer's Investment Pool are reported at amortized cost using a stable net asset value. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. These

polices were designed to comply with generally accepted accounting principles. In addition, state statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. Compliance with Funding Board policies is audited by the Tennessee Comptroller of the Treasury, Division of State Audit. The latest audit opinion issued by the Division of State Audit concluded that the State Treasurer's Investment Pooled complied with accounting principles generally accepted in the United State of America.

All other investments are reported at fair value.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.14 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

3. Restricted Assets

Restricted assets also consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Weakley County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Weakley County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Weakley County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government (excluding the Weakley County Municipal Electric System, enterprise fund) and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5
Infrastructure:	
Roads	20
Bridges	20 - 30

5. **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience, pension and OPEB changes in assumptions, pension and OPEB changes in proportion, as well as employer contributions made to the pension and OPEB plans after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources; current and delinquent property taxes, pension and OPEB changes in experience, pension changes in investment earnings, pension changes in proportion of net pension liability (asset), OPEB changes in assumptions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. **Compensated Absences**

It is the policy of Weakley County (with the exception of the Weakley County Municipal Electric System, enterprise fund) and the discretely presented Weakley County School Department to permit employees to accumulate a limited amount of earned but unused vacation and sick leave benefits. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. Accumulated vacation benefits will be paid to employees upon separation from service with the government. All vacation leave is

accrued when incurred in the government-wide statements for the county and the school department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

7. Long-term Debt and Long-term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, and pension liabilities are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

In the government-wide financial statements and the proprietary funds in the fund financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages,

notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment of capital assets.

As of June 30, 2019, Weakley County had \$10,630,172 in outstanding debt for capital purposes for the discretely presented Weakley County School Department. This debt is a liability of Weakley County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Weakley County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of

Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's Budget Committee to make assignments for the general government. The Board of Education makes assignments for the school department.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

9. Special Item

During the year, Weakley County elected to cease providing Other Postemployment Benefits (OPEB) to retirees other than school department employees. As a result, a special item totaling \$436,918 was recognized in the Government-wide Statement of Activities and all OPEB related liabilities and deferrals were removed from the Statement of Net Position.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Weakley County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Weakley County's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

Discretely Presented Weakley County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension

expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

F. Other Postemployment Benefit (OPEB) Plan

Discretely Presented Weakley County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Weakley County School Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Weakley County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental

funds with the changes in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Weakley County School Department

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the county commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2019, Weakley County had outstanding encumbrances in budgeted funds as follows:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
General	\$ 56,409
Highway/Public Works	640,449
Total	<u>\$ 696,858</u>
School Department:	
General Purpose School	\$ 495,723
Nonmajor Governmental	797
Total	<u>\$ 496,520</u>

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Weakley County (excluding the Weakley County Municipal Electric System, enterprise fund) and the Weakley County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. The primary oversight responsibility for the investments and operations of the State Treasurer's Investment Pool rests with the Funding Board of the State of Tennessee (Funding Board). The Funding Board has established an investment policy that is administered by the state treasurer. Investments in the State Treasurer's Investment Pool are reported both by the pool and the county at amortized cost using a stable net asset value. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2019, Weakley County had the following investments carried at amortized cost using a stable net asset value. All investments (excluding the Weakley County Municipal Electric System, enterprise fund) are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Weakley County (excluding the Weakley County Municipal Electric System, enterprise fund) and the discretely presented Weakley County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Amortized Cost
State Treasurer's Investment Pool	1 to 86	\$ 22,364

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Weakley County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Weakley County has no investment policy that would further limit its investment choices. As of June 30, 2019, Weakley County's investment in the State Treasurer's Investment Pool was unrated.

TCRS Stabilization Trust

Legal Provisions. The Weakley County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Weakley County School Department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value or amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of assets of the TRGT held at June 30, 2019, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active

markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined using amortized cost, which approximates fair value.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan’s custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter’s NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2019, the Weakley County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 16,570
Developed Market International Equity	N/A	N/A	7,483
Emerging Market International Equity	N/A	N/A	2,138
U.S. Fixed Income	N/A	N/A	10,691
Real Estate	N/A	N/A	5,345
Short-term Securities	N/A	N/A	535
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	<u>10,691</u>
Total			<u>\$ 53,453</u>

Investment by Fair Value Level	Fair Value Measurements Using				Amortized
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Cost
	6-30-19	(Level 1)	(Level 2)	(Level 3)	NAV
U.S. Equity	\$ 16,570	\$ 16,570	\$ 0	\$ 0	0
Developed Market					
International Equity	7,483	7,483	0	0	0
Emerging Market					
International Equity	2,138	2,138	0	0	0
U.S. Fixed Income	10,691	0	10,691	0	0
Real Estate	5,345	0	0	5,345	0
Short-term Securities	535	0	535	0	0
Private Equity and Strategic Lending	10,691	0	0	0	10,691
Total	\$ 53,453	\$ 26,191	\$ 11,226	\$ 5,345	10,691

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Weakley County School Department does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Weakley County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Weakley County School Department places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Weakley County School Department to pay retirement benefits of the school department employees.

For further information concerning the school department's investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2019/ag18092.pdf>.

B. Notes Receivable

During 2012-13, the Weakley County Commission authorized the county to issue a \$143,786 non-interest bearing capital outlay note to assist the Everett-Stewart Regional Airport with construction of a runway extension project. The Everett-Stewart Regional Airport has agreed to repay \$143,786 to the county over a period of ten years with no interest. This note receivable is included in the restricted fund balance of the General Debt Service Fund and has a balance of \$53,210 at June 30, 2019.

C. Capital Assets

Capital assets activity for the year ended June 30, 2019, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-18	Increases	Balance 6-30-19
Capital Assets Not Depreciated:			
Land	\$ 1,575,535	\$ 0	\$ 1,575,535
Total Capital Assets Not Depreciated	\$ 1,575,535	\$ 0	\$ 1,575,535
Capital Assets Depreciated:			
Buildings and Improvements	\$ 13,799,463	\$ 46,569	\$ 13,846,032
Infrastructure	75,072,402	1,048,189	76,120,591
Other Capital Assets	4,874,919	356,816	5,231,735
Total Capital Assets Depreciated	\$ 93,746,784	\$ 1,451,574	\$ 95,198,358
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 10,216,775	\$ 452,768	\$ 10,669,543
Infrastructure	54,277,539	2,206,658	56,484,197
Other Capital Assets	4,302,894	495,738	4,798,632
Total Accumulated Depreciation	\$ 68,797,208	\$ 3,155,164	\$ 71,952,372
Total Capital Assets Depreciated, Net	\$ 24,949,576	\$ (1,703,590)	\$ 23,245,986
Governmental Activities Capital Assets, Net	\$ 26,525,111	\$ (1,703,590)	\$ 24,821,521

There were no decreases in capital assets to report during the year ended June 30, 2019. Depreciation expense was charged to the functions of the primary government (excluding the Weakley County Municipal Electric System, enterprise fund) as follows:

Governmental Activities:

General Government	\$ 87,490
Finance	18,222
Administration of Justice	25,487
Public Safety	438,882
Public Health and Welfare	24,418
Social, Cultural, and Recreational Services	13,092
Agriculture and Natural Resources	2,298
Highways/Public Works	<u>2,545,275</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 3,155,164</u>
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Discretely Presented Weakley County School Department**Governmental Activities:**

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 1,940,347	\$ 28,000	\$ 0	\$ 1,968,347
Construction in Progress	11,799,242	0	(11,799,242)	0
Total Capital Assets Not Depreciated	<u>\$ 13,739,589</u>	<u>\$ 28,000</u>	<u>\$ (11,799,242)</u>	<u>\$ 1,968,347</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 70,786,773	\$ 13,491,057	\$ 0	\$ 84,277,830
Other Capital Assets	8,901,976	399,876	(78,724)	9,223,128
Total Capital Assets Depreciated	<u>\$ 79,688,749</u>	<u>\$ 13,890,933</u>	<u>\$ (78,724)</u>	<u>\$ 93,500,958</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 52,097,431	\$ 1,965,698	\$ 0	\$ 54,063,129
Other Capital Assets	8,175,129	400,149	(27,553)	8,547,725
Total Accumulated Depreciation	<u>\$ 60,272,560</u>	<u>\$ 2,365,847</u>	<u>\$ (27,553)</u>	<u>\$ 62,610,854</u>
Total Capital Assets Depreciated, Net	<u>\$ 19,416,189</u>	<u>\$ 11,525,086</u>	<u>\$ (51,171)</u>	<u>\$ 30,890,104</u>
Governmental Activities Capital Assets, Net	<u>\$ 33,155,778</u>	<u>\$ 11,553,086</u>	<u>\$ (11,850,413)</u>	<u>\$ 32,858,451</u>

Depreciation expense was charged to functions of the discretely presented Weakley County School Department as follows:

Governmental Activities:

Instruction	\$ 1,233,597
Support Services	1,008,504
Operation of Non-instructional Services	<u>123,746</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,365,847</u>

D. Construction Commitments

At June 30, 2019, the highway department had uncompleted construction contracts of approximately \$544,402 for bridge construction, and the school department had uncompleted construction contracts of approximately \$376,678 in the Education Capital Projects Fund for school construction. Funding for the highway department's future expenditures is expected to be received from state grants. Funding has been received for these future expenditures in the school department.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, was as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 19,484
Central Maintenance/Garage	General	3,333
"	Highway/Public Works	8,321

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

The receivable in the Central Maintenance/Garage Fund totaling \$11,654 was in transit from the General and the Highway/Public Works funds at June 30, 2019.

Due to/from Primary Government and Component Units:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General	Weakley County	
	Nursing Home	\$ 646
Central Maintenance/Garage	School Department:	
	General Purpose School	1,733
"	Weakley County	
	Nursing Home	94
"	Weakley County	
	Emergency Communications	
	District	116

The due from component unit balance of \$646 in the General Fund was in transit from the Weakley County Nursing Home at June 30, 2019. The due from component unit balance in the Central Maintenance/Garage Fund totaling \$1,943 was in transit from the General Purpose School Fund, Weakley County Nursing Home and the Weakley County Emergency Communications District at June 30, 2019.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2019, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In				Purpose
	General Fund	Highway/ Public Works Fund	General Debt Service Fund	Nonmajor Governmental Fund	
Public Utility Fund	\$ 232,255	\$ 67,010	\$ 164,623	\$ 0	Payments in-lieu of taxes
General Debt Service Fund	0	0	0	450,000	Capital outlay
	<u>\$ 232,255</u>	<u>\$ 67,010</u>	<u>\$ 164,623</u>	<u>\$ 450,000</u>	

Discretely Presented Weakley County School Department

Transfers Out	<u>Transfer In</u>	
	General Purpose School Fund	Purpose
Nonmajor Governmental Fund	\$ 351,117	Cash flow funds

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

F. Long-term Debt

Primary Government

General Obligation Note and Other Loans

Direct Borrowing and Direct Placement - Weakley County (excluding the Weakley County Municipal Electric System, enterprise fund) issues other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented school department. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes and other loans are direct obligations and pledge the full faith and credit of the government. The capital outlay note and other loans outstanding were issued for original terms of ten years for the note and up to 12 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The note and other loans included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund.

The capital outlay note and other loans outstanding as of June 30, 2019, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-19
Direct Borrowing and Direct Placement:				
Capital Outlay Note	0 %	10-31-22	\$ 143,786	\$ 53,210
Other Loans	0 to variable	9-30-29	17,234,767	10,630,172

During 2011-12, Weakley County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient Schools Initiative program. Under this agreement, the program

loaned Weakley County \$1,812,940 to fund a project to increase energy efficiency in the Weakley County school system. The loan is interest free.

During 2015-16, Weakley County entered into a loan agreement with the Public Building Authority of the City of Clarksville, Tennessee. Under this agreement, the authority loaned Weakley County \$12,800,000. At June 30, 2019, the variable interest rate was 2.71 percent, and other fees totaled .15 percent of the outstanding loan principal.

During 2017-18 Weakley County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient Schools Initiative program. Under this agreement, the program loaned Weakley County \$1,621,827 to fund a project to increase energy efficiency in the Weakley County school system. The loan has an interest rate of one percent.

During 2017-18, Weakley County entered into a loan agreement with the United States Department of Agriculture. Under this agreement, the authority loaned Weakley County \$1,000,000 for renovations to the Adult Learning Center. The loan is interest free.

The annual requirements to amortize the note and other loans outstanding as of June 30, 2019, including interest payments and other loan fees, are presented in the following tables:

Year Ending June 30	Note - Direct Placement	
	Principal	Total
2020	\$ 15,984	\$ 15,984
2021	15,984	15,984
2022	15,984	15,984
2023	5,258	5,258
Total	<u>\$ 53,210</u>	<u>\$ 53,210</u>

Year Ending June 30	Other Loans - Direct Placement			
	Principal	Interest	Other Fees	Total
2020	\$ 1,684,292	\$ 227,605	\$ 11,977	\$ 1,923,874
2021	1,703,600	191,799	10,067	1,905,466
2022	1,676,576	155,493	8,131	1,840,200
2023	1,558,956	118,714	6,169	1,683,839
2024	1,578,300	81,462	4,181	1,663,943
2025-2029	2,391,498	57,139	2,167	2,450,804
2030	36,950	83	0	37,033
Total	\$ 10,630,172	\$ 832,295	\$ 42,692	\$ 11,505,159

There is \$2,913,096 available in the General Debt Service Fund to service long-term debt. Debt per capita, including the note and other loans, totaled \$305 based on the 2010 federal census.

Changes in Long-term Debt

Long-term debt activity for the primary government (excluding the Weakley County Municipal Electric System, enterprise fund) for the year ended June 30, 2019, was as follows:

Governmental Activities:

	Note - Direct Placement	Other Loans - Direct Placement
Balance, July 1, 2018	\$ 69,194	\$ 12,845,981
Reductions	(15,984)	(2,215,809)
Balance, June 30, 2019	\$ 53,210	\$ 10,630,172
Balance Due Within One Year	\$ 15,984	\$ 1,684,292

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 10,683,382
Less: Balance Due Within One Year - Debt	<u>(1,700,276)</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 8,983,106</u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the primary government (excluding the Weakley County Municipal Electric System, enterprise fund) for the year ended June 30, 2019, was as follows:

	<u>Compensated Absences</u>
Balance, July 1, 2018	\$ 255,267
Additions	406,427
Reductions	<u>(418,492)</u>
Balance, June 30, 2019	<u><u>\$ 243,202</u></u>
Balance Due Within One Year	<u><u>\$ 12,162</u></u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2019	\$ 243,202
Less: Balance Due Within One Year - Other	<u>(12,162)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 231,040</u></u>

Compensated absences will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Discretely Presented Weakley County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Weakley County School Department for the year ended June 30, 2019, was as follows:

	Compensated Absences	Net OPEB Liability
Balance, July 1, 2018	\$ 39,462	\$ 3,209,297
Additions	48,383	398,085
Reductions	(41,545)	(735,903)
Balance, June 30, 2019	<u>\$ 46,300</u>	<u>\$ 2,871,479</u>
Balance Due Within One Year	<u>\$ 2,315</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Other Noncurrent Liabilities, June 30, 2019	\$ 2,917,779
Less: Balance Due Within One Year - Other	<u>(2,315)</u>
Other Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,915,464</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School Fund.

H. On-Behalf Payments - Discretely Presented Weakley County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Weakley County School Department. These payments are made by the state to the Local Education Group Insurance Plan. The plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2019, were \$133,944. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government (excluding the Weakley County Municipal Electric System, enterprise fund) and the Discretely Presented Weakley County School Department

Workers' Compensation Insurance

Weakley County and the Weakley County School Department participate in the Local Government Workers' Compensation Fund (LGWCF), a public entity

risk pool established under the provisions of Section 29-20-401, *Tennessee Code Annotated (TCA)*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county and school department pay annual premiums to the LGWCF for their workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

Primary Government (excluding the Weakley County Municipal Electric System, enterprise fund)

General Liability, Property, and Casualty

The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

Employee Health Insurance

Weakley County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *TCA*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Weakley County School Department

Liability, Property, and Casualty Insurance

The Weakley County School Department carries commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, and casualty losses. Settled claims have not exceeded this commercial coverage in any of the past three years.

Employee Health Insurance

The school department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of

health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements* became effective for the year ended June 30, 2019. In addition, Weakley County early implemented the provisions of GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*.

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes accounting and reporting requirements for certain asset retirement obligations (AROs) associated with tangible capital assets. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, and expense/expenditures. In addition, this standard establishes note disclosure requirements for AROs.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements* addresses note disclosure requirements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should report when disclosing information related to debt. These required disclosures include direct borrowings and direct placements, unused lines of credit, assets pledged as collateral for debt, terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant acceleration clauses.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period* amends paragraphs 5 through 22 of GASB Statement No. 62. This standard establishes that interest cost incurred before the end of a construction period should be recognized as an expense/expenditure. The changes adopted to conform with this standard are to be applied prospectively.

C. Contingent Liabilities

The county and school department are involved in several pending lawsuits. Management estimates that any potential claims not covered by insurance resulting from such litigation should not materially affect the financial statements.

D. Change in Administration

On August 31, 2018, Donna Winstead left the Office of Register of Deeds and was succeeded by April Jones on September 1, 2018.

E. Joint Ventures

The Twenty-seventh Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-seventh Judicial District, Obion and Weakley counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within the judicial district. Weakley County made no contributions to the DTF for the year ended June 30, 2019 and does not have any equity interest in this joint venture.

Pursuant to a formal agreement between Obion and Weakley counties, a joint venture for the creation and operation of the Everett-Stewart Regional Airport was established December 1, 2006. The agreement between Obion and Weakley counties states that the land and other capital assets, including improvements, will be owned by Obion County; however, the funding of airport operations will be jointly funded and managed by both counties. Weakley County appropriated \$20,000 to the Everett-Stewart Regional Airport during the year. On November 16, 2012, Weakley County issued a \$143,786 capital outlay note to provide funds for airport improvement projects (see Note IV.B.). This note was issued with a zero percent interest rate and is to be retired with monthly payments of \$1,332 from the Everett-Stewart Regional Airport to the Weakley County General Debt Service Fund. The note balance due to Weakley County on June 30, 2019, was \$53,210.

The Weakley County Economic Development Board is a joint venture between Weakley County and the cities of Martin, Dresden, Greenfield, Gleason, and Sharon. The board comprises the county and city mayors, 14 additional members, and four ex-officio non-voting members. The purpose of the board is to foster communication relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities provide the majority of funding for the board based on the percentage of their population compared to the total census of the county. Weakley County appropriated \$96,800 to the Weakley County Economic Development Board during the year.

Complete financial statements for the DTF, the Everett-Stewart Regional Airport, and the Weakley County Economic Development Board can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Twenty-seventh Judicial District
P.O. Box 746
Union City, TN 38281-0746

Everett-Stewart Regional Airport
1489 Airport Circle
Union City, TN 38261

Weakley County Economic Development Board
c/o Ronnie Price, President/CEO
P.O. Box 106
Martin, TN 38237

F. Jointly Governed Organization

The West Tennessee Railroad Authority (WTRA) was created by Gibson County in conjunction with the counties of Chester, Madison, McNairy, Obion, and Weakley. The WTRA's board includes the county mayors of Chester, Gibson, Madison, McNairy, Obion, and Weakley counties, and one at-large member from each of these areas. However, the counties do not have any ongoing financial interest or responsibility for the entity.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plans

Weakley County Legacy Pension Plan

Plan Description – Weakley County Legacy Plan. Employees of Weakley County, non-certified employees of the discretely presented Weakley County School Department, and employees of the discretely presented Weakley County Nursing Home with membership in TCRS before July 1, 2013, are provided a defined benefit pension plan (Weakley County Legacy Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The Weakley County Legacy Plan is closed to new membership. The

primary government employees comprised 44.34 percent, the non-certified employees of the discretely presented school department comprised 29.1 percent, and the discretely presented Weakley County Nursing Home comprised 26.56 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	243
Inactive Employees Entitled to But Not Yet Receiving Benefits	344
Active Employees	<u>267</u>
Total	<u><u>854</u></u>

Weakley County withdrew from the TCRS Weakley County Legacy Plan effective June 30, 2013. Employees hired after the date of withdrawal are not eligible to participate in the Weakley County Legacy Plan. Employees active as of the withdrawal date will continue to accrue salary and services credit in TCRS. The employer remains responsible for the pension liability for employees and retirees that were active as of the withdrawal date.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Weakley County employees are non-contributory. Weakley County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, the employer contribution for Weakley County was \$704,839 based on a rate of 9.35 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Weakley County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Weakley County's net pension liability (asset) was measured as of June 30, 2018, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	5.69	%	31	%
International Equity Emerging Market	5.29		14	
International Equity Private Equity and Strategic Lending	6.36		4	
U.S. Fixed Income	5.79		20	
Real Estate	2.01		20	
Short-term Securities	4.32		10	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Weakley County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2017	\$ 37,586,859	\$ 38,874,523	\$ (1,287,664)
Changes for the year:			
Service Cost	\$ 812,366	\$ 0	\$ 812,366
Interest	2,731,976	0	2,731,976
Differences Between Expected and Actual Experience	(574,931)	0	(574,931)
Changes in Assumptions	0	0	0
Contributions-Employer	0	598,054	(598,054)
Contributions-Employees	0	458	(458)
Net Investment Income	0	3,191,063	(3,191,063)
Benefit Payments, Including Refunds of Employee Contributions	(1,433,601)	(1,433,601)	0
Administrative Expense	0	(26,329)	26,329
Other Changes	0	0	0
Net Changes	\$ 1,535,810	\$ 2,329,645	\$ (793,835)
Balance, June 30, 2018	\$ 39,122,669	\$ 41,204,168	\$ (2,081,499)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	44.34%	\$ 17,346,991	\$ 18,269,928	\$ (922,937)
Nursing Home	26.56%	10,390,981	10,943,828	(552,847)
School Department	29.10%	11,384,697	11,990,412	(605,715)
Total		\$ 39,122,669	\$ 41,204,168	\$ (2,081,499)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Weakley County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it was

calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Weakley County	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 2,925,111 \$ (2,081,499) \$ (6,240,563)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense. For the year ended June 30, 2019, Weakley County recognized pension expense of \$387,721.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, Weakley County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 94,486	\$ 955,963
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	145,013
Changes in Assumptions	433,622	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	704,839	N/A
Total	<u>\$ 1,232,947</u>	<u>\$ 1,100,976</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2018,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 557,876	\$ 488,173
Nursing Home	312,898	292,419
School Department	362,173	320,384
Total	<u>\$ 1,232,947</u>	<u>\$ 1,100,976</u>

Amounts reported as deferred outflows of resources, with the exception of contributions after the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 151,324
2021	(148,862)
2022	(494,552)
2023	(80,778)
2024	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Weakley County Hybrid Pension Plan

Plan Description - Weakley County Hybrid Plan. Employees of Weakley County, non-certified employees of the discretely presented Weakley County School Department, and employees of the discretely presented Weakley County Nursing Home hired on or after July 1, 2013, are provided a defined benefit pension plan (Weakley County Hybrid Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 58.8 percent, the non-certified employees of the discretely presented school department comprised 26.81 percent, and the discretely presented Weakley County Nursing Home comprised 14.39 percent of the plan based on contribution data.

The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 65 with five years of service or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest. Under the Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	22
Active Employees	<u>160</u>
Total	<u>182</u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Weakley County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation and statutory provisions. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of Weakley County if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2019, to the Retirement Plan were \$285,148, which is 5.94 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets) Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Liabilities (Assets). Weakley County's net pension liability (asset) was measured at June 30, 2018, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	5.69	%	31	%
International Equity Emerging Market	5.29		14	
International Equity Private Equity and Strategic Lending	6.36		4	
U.S. Fixed Income	5.79		20	
Real Estate	2.01		20	
Short-term Securities	4.32		10	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Weakley County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2017	\$ 339,050	\$ 336,474	\$ 2,576
Changes for the year:			
Service Cost	\$ 142,486	\$ 0	\$ 142,486
Interest	34,911	0	34,911
Differences Between Expected and Actual Experience	21,365	0	21,365
Changes in Assumptions	0	0	0
Contributions-Employer	0	186,214	(186,214)
Net Investment Income	0	35,097	(35,097)
Administrative Expense	0	(13,508)	13,508
Other Changes	0	0	0
Net Changes	\$ 198,762	\$ 207,803	\$ (9,041)
Balance, June 30, 2018	\$ 537,812	\$ 544,277	\$ (6,465)

Allocation of Agent Plan Changes in the Net Pension Liability (Asset)

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	58.80%	\$ 316,233	\$ 320,035	\$ (3,802)
Nursing Home	14.39%	77,391	78,321	(930)
School Department	26.81%	144,188	145,921	(1,733)
Total		\$ 537,812	\$ 544,277	\$ (6,465)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Weakley County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Weakley County	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 126,266 \$ (6,465) \$ (108,570)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense. For the year ended June 30, 2019, Weakley County recognized pension expense of \$168,290.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, Weakley County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 73,596	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	6,094
Changes in Assumptions	7,313	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	285,148	N/A
Total	\$ 366,057	\$ 6,094

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2018,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 186,836	\$ 3,583
Nursing Home	64,177	877
School Department	115,044	1,634
Total	<u>\$ 366,057</u>	<u>\$ 6,094</u>

Amounts reported as deferred outflows of resources, with the exception of contributions after the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 8,759
2021	8,160
2022	6,915
2023	8,792
2024	9,680
Thereafter	32,509

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

Discretely Presented Weakley County School Department

Non-certified Employees

General Information About the Pension Plans

Plan Description – Weakley County Legacy Plan. As noted above under the primary government, employees of Weakley County, non-certified employees of the discretely presented Weakley County School Department, and employees of the discretely presented Weakley County Nursing Home with membership in TCRS before July 1, 2013, are provided a defined benefit pension plan (Weakley County Legacy Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 44.34 percent, the non-certified

employees of the discretely presented school department comprised 29.1 percent, and employees of the discretely presented Weakley County Nursing Home comprised 26.56 percent of the plan based on contribution data.

Weakley County withdrew from the TCRS Weakley County Legacy Plan effective June 30, 2013. Employees hired after the date of withdrawal are not eligible to participate in the Weakley County Legacy Plan. Employees active as of the withdrawal date will continue to accrue salary and services credit in TCRS. The employer remains responsible for the pension liability for employees and retirees that were active as of the withdrawal date.

Plan Description - Weakley County Hybrid Plan. Employees of Weakley County, non-certified employees of the discretely presented Weakley County School Department, and employees of the discretely presented Weakley County Nursing Home hired on or after July 1, 2013, are provided a defined benefit pension plan (Weakley County Hybrid Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 58.8 percent, the non-certified employees of the discretely presented school department comprised 26.81 percent, and employees of the discretely presented Weakley County Nursing Home comprised 14.39 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Weakley County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues

a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2019, to the Teacher

Retirement Plan were \$49,922, which is 1.94 percent of covered payroll. In addition, employer contributions of \$50,755, which is 1.97 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liabilities (Assets). At June 30, 2019, the school department reported a liability (asset) of (\$121,841) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, the school department's proportion was .268652 percent. The proportion as of June 30, 2017, was .222103 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized pension expense of \$40,166.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 6,901	\$ 4,853
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	6,882
Changes in Assumptions	5,748	0
Changes in Proportion of Net Pension Liability (Asset)	670	18,001
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	49,922	N/A
Total	<u>\$ 63,241</u>	<u>\$ 29,736</u>

The Weakley County School Department's employer contributions of \$49,922, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ (2,335)
2021	(2,553)
2022	(3,534)
2023	(1,736)
2024	(819)
Thereafter	(5,440)

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 18,837 \$ (121,841) \$ (225,487)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Teacher Legacy Pension Plan

General Information About the Pension Plan

Plan Description. Teachers of the Weakley County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of

death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Weakley County School Department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were \$1,471,024, which is 10.46 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Assets). At June 30, 2019, the school department reported a liability (asset) of (\$1,431,517) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, the school department's proportion was .406806 percent. The proportion measured at June 30, 2017, was .428504 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized (negative) pension expense of (\$420,085).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 289,358	\$ 1,931,230
Changes in Assumptions	845,461	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	
Changes in Proportion of Net Pension Liability (Asset)	91,959	311,558 120,612
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	1,471,024	N/A
Total	<u>\$ 2,697,802</u>	<u>\$ 2,363,400</u>

The Weakley County School Department's employer contributions of \$1,471,024 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 284,792
2021	(467,465)
2022	(806,807)
2023	(147,142)
2024	0
Thereafter	0

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS

investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity	5.69	%	31	%
Developed Market				
International Equity	5.29		14	
Emerging Market				
International Equity	6.36		4	
Private Equity and				
Strategic Lending	5.79		20	
U.S. Fixed Income	2.01		20	
Real Estate	4.32		10	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one

percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 11,035,035 \$ (1,431,517) \$ (11,745,852)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

2. **Deferred Compensation**

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401(k) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year, the school department contributed \$130,216 and teachers contributed \$17,915 to this deferred compensation pension plan.

H. **Other Postemployment Benefits (OPEB)**

During the year, Weakley County elected to cease providing OPEB to retirees.

The discretely presented Weakley County School Department provides OPEB benefits to its retirees under the state administered public entity risk pool. For reporting purposes the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

OPEB Provided through State Administered Public Entity Risk Pools

The school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the Weakley County School Department may then join the Tennessee Plan – Medicare (TNM), which provides supplemental medical

insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The school department's total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2018, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.62%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.75% for the 2019 calendar year, and gradually decreasing over a 32-year period to an ultimate trend rate of 3.53% with .32% added to approximate the effect of the excise tax
Retirees Share of Benefit Related Cost	Discussed below

The discount rate was 3.62 percent, based on the daily rate of Fidelity's 20-Year Municipal GO AS index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2018, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016, Post-retirement tables are Blue Collar and

adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of the measurement date of June 30, 2018. The assumed initial costs and premium amounts were revised to reflect rates adopted for the 2019 plan year. The assumed initial trend rate applicable to the 2019 plan year was revised from 5.4 percent to 6.75 percent.

Closed Local Education (LEP) OPEB Plan - Discretely Presented Weakley County School Department

Plan Description. Employees of the Weakley County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The Weakley County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. The Weakley County School Department does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 20 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

	<u>School Department</u>
Retirees and Beneficiaries	34
Inactive. Nonretired members	1
Active Members Eligible for Future Benefits	399
Active Members Not Eligible for Future Benefits	45
Total	<u><u>479</u></u>

A state insurance committee, created in accordance with *TCA* 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$234,460 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Weakley County</u>	<u>State of</u>	<u>Total OPEB</u>
	<u>School Department</u>	<u>TN</u>	
	<u>65.027%</u>	<u>34.973%</u>	<u>Liability</u>
Balance July 1, 2017	\$ 3,209,297	\$ 1,804,234	\$ 5,013,531
Changes for the Year:			
Service Cost	\$ 161,898	\$ 87,072	\$ 248,970
Interest	117,661	63,280	180,941
Changes in			
Benefit Terms	0	0	0
Difference between			
Expected and			
Actuarial Experience	(501,934)	(269,951)	(771,885)
Change in Proportion	50,852	(50,852)	0
Changes in Assumption			
and Other Inputs	67,675	36,397	104,072
Benefit Payments	(233,969)	(125,834)	(359,803)
Net Changes	\$ (337,818)	\$ (259,887)	\$ (597,705)
Balance June 30, 2018	\$ 2,871,479	\$ 1,544,347	\$ 4,415,826

The Weakley County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Weakley County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized \$115,897 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Weakley County School Department's proportionate share of the collective OPEB liability was 65.027 percent and the State of Tennessee's share was 34.973 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department recognized OPEB expense of \$343,145, including the state's share of the expense. At June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 453,671
Changes of Assumptions/Inputs	61,168	117,321
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	38,645	0
Benefits Paid After the Measurement Date of June 30, 2018	234,460	0
Total	<u>\$ 334,273</u>	<u>\$ 570,992</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	School Department
2020	\$ (52,310)
2021	(52,310)
2022	(52,310)
2023	(52,310)
2024	(52,310)
Thereafter	(209,629)

In the table shown above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>		Current Discount Rate	
	1% Decrease		1% Increase
	2.62%	3.62%	4.62%

Proportionate Share of the Collective Total OPEB Liability	\$ 3,066,063	\$ 2,871,479	\$ 2,686,921
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>		Current Rates	
	1% Decrease		1% Increase
	5.75 to 2.85%	6.75 to 3.85%	7.75 to 4.85%

Proportionate Share of the Collective Total OPEB Liability	\$ 2,573,797	\$ 2,871,479	\$ 3,225,965
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I. Office of Central Accounting, Budgeting, and Purchasing

Weakley County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. This act also provides for the creation of a finance department operated under the direction of the director of finance.

J. Purchasing Law

The County Financial Management System of 1981 provides for the director of finance or a deputy appointed by the director to serve as the county purchasing agent. The director of finance serves as the purchasing agent for Weakley County. All purchase orders are issued by the finance department. Purchases exceeding \$25,000 are required to be competitively bid.

K. Subsequent Event

On October 17, 2019, Weakley County issued capital outlay notes totaling \$5,000,000 for construction projects.

VI. OTHER NOTES – WEAKLEY COUNTY MUNICIPAL ELECTRIC SYSTEM (ENTERPRISE FUND)

A. Significant Accounting Policies

1. Reporting Entity

The Weakley County Municipal Electric System is a proprietary fund of Weakley County. *Tennessee Code Annotated*, Section 7-52-117(c), states “Subject to the provisions of Section 7-52-132, the superintendent with the approval of the supervisory body, may acquire and dispose of all property, real and personal, necessary to effectuate the purpose of this part. The title of such property shall be taken in the name of the municipality (county).” Therefore, Weakley County Municipal Electric System does not possess sufficient corporate powers that distinguish it as a legally separate entity and is considered a proprietary fund of Weakley County, Tennessee.

2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The electric system’s financial statements are presented on the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Proprietary fund types are reported using the economic resources measurement focus. The aim of this measurement focus is to report all inflows, outflows, and balances affecting or reflecting the entity’s net position.

The books of account are kept in accordance with the provisions of the power contract between the Weakley County Municipal Electric System and the Tennessee Valley Authority (TVA) and meet the requirements of the Federal Power System chart of accounts.

The electric system recognizes income based on cycle billings. This results in recognizing as income the energy usage through each respective cycle each month, which may not coincide with the last day of the fiscal year. Non-recognition of unbilled income from energy sales as a result of cycle billing is a common industry practice. The cost of purchased power is accrued based on the final meter reading of the fiscal year. This may result in an unrecognized expense for the period between the final billing and the end of the fiscal year. This practice is

consistent with TVA guidelines and does not differ significantly from generally accepted accounting principles.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the electric system are charges to customers for sales and service. Operating expenses for the enterprise fund include the cost of purchased power, operation expenses, maintenance expenses, amortization of plant acquisition adjustment, property tax equivalent, payroll taxes, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. Assets, Liabilities, and Net Position

a. Cash and Cash Equivalents

Cash and cash equivalents as used on the Statement of Cash Flows include cash on hand, demand deposits at financial institutions, and funds held in the State of Tennessee Local Government Investment Pool.

b. Investments

The electric system's policies limit investments to those instruments allowed by applicable state laws. State statutes authorize the electric system to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund.

The electric system's investment in the Local Government Investment Pool as of June 30, 2019, is reported at amortized cost in accordance with GASB Statement No. 79, effective for reporting periods beginning after December 15, 2015.

c. Accounts Receivable

Trade receivables result from unpaid billings for electric service to customers and from unpaid billings related to work performed for or materials sold to certain entities. The electric system uses the direct write-off method of uncollectible accounts, rather than an estimated allowance for uncollectible accounts. This method,

though not recognized by generally accepted accounting principles, does not distort the presentation by a material amount.

Operating revenues are reported net of bad debt expense, which was \$28,521 for the year ended June 30, 2019.

d. Inventories

The electric system uses a perpetual inventory system and has actual physical counts annually. Inventories are stated at cost, using an average costing method.

e. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The proportionate amount of expense is recognized in each of the benefitting periods.

f. Capital Assets

Capital assets include property, plant and equipment, work in progress, and an electric plant acquisition adjustment. Such assets are stated substantially at original cost. The electric system provides for depreciation on a straight-line basis at rates recommended by the Tennessee Valley Authority. These rates purport to depreciate the property over its estimated useful life. Depreciation expense for the year ended June 30, 2019, was \$1,993,704, and \$157,669 cleared through other accounts, for a total accrual of \$2,151,373.

g. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The electric system has items related to pensions that qualify for reporting in this category as of June 30, 2019. See the pension disclosures for details concerning this balance.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The electric system has items related to pensions

that qualify for reporting in this category. See the pension disclosure for the items that comprise this financial statement element.

h. Compensated Absences

Employees are entitled to paid vacation and sick days depending on length of service and other factors. Only six weeks of annual leave may be accumulated by each employee. Unused amounts above this threshold are written off annually. Fifty percent of unused sick leave in excess of 125 days is paid to the employee annually. Due to these policies, the accrual for compensated absences has been classified as a current liability.

i. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Weakley County Municipal Electric System's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from the electric system's fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

j. Net Position Flow Assumption

Sometimes the electric system will fund outlays for a particular purpose from both restricted (e.g., restricted bond and grants proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the electric system's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

B. Detailed Notes on All Accounts

1. Cash Deposits with Financial Institutions

Custodial credit risk is the risk that in the event of a depository institution failure, the electric system's deposits may not be returned to it. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the electric system's agent in the electric system's name, or by the Federal Reserve Banks acting as third-party agents. As of June 30, 2019, all bank deposits were fully collateralized or insured.

2. Investments

The electric system has invested \$6,240 in the State of Tennessee Local Government Investment Pool (LGIP) as of June 30, 2019. The Electric System makes monthly deposits to a plant repair and replacement fund that is currently invested in an interest-bearing checking account at a local bank. The amount at June 30, 2019, was \$5,492,019. The electric system also has a certificate of deposit for \$1,022,578 from the same local bank to secure the USDA intermediary loan. The bank participates in the State of Tennessee Bank Collateral Pool.

3. Interfund Activity

A transfer is made each year from Weakley County Municipal Electric System to the primary government of Weakley County for an in-lieu-of tax payment. The transfer amount for the year ended June 30, 2019, was \$463,888.

4. Capital Assets

Capital assets activity for the year ended June 30, 2019, was as follows:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Transmission Plant Land	\$ 100,307	\$ 0	\$ 0	\$ 100,307
Distribution Plant Land	112,776	0	0	112,776
General Plant Land	208,726	0	0	208,726
Construction in Progress	646,112	629,308	0	1,275,420
Total Capital Assets Not Depreciated	\$ 1,067,921	\$ 629,308	\$ 0	\$ 1,697,229
Capital Assets Depreciated:				
Transmission Plant	\$ 4,912,255	\$ 0	\$ (230)	\$ 4,912,025
Distribution Plant	46,824,706	3,914,423	(436,391)	50,302,738
General Plant	13,399,255	658,033	(44,681)	14,012,607
Total Capital Assets Depreciated	\$ 65,136,216	\$ 4,572,456	\$ (481,302)	\$ 69,227,370
Less Accumulated Depreciation For:				
Transmission Plant	\$ 4,048,079	\$ 157,213	\$ (243)	\$ 4,205,049
Distribution Plant	25,548,086	1,476,381	(583,898)	26,440,569
General Plant	5,673,048	517,779	(42,403)	6,148,424
Total Accumulated Depreciation	\$ 35,269,213	\$ 2,151,373	\$ (626,544)	\$ 36,794,042
Total Capital Assets Depreciated, Net	\$ 29,867,003	\$ 2,421,083	\$ 145,242	\$ 32,433,328
Total Capital Assets, Net	\$ 30,934,924	\$ 3,050,391	\$ 145,242	\$ 34,130,557

5. USDA Intermediary Loans

The electric system has two notes receivable from the Industrial Development Board of Weakley County related to USDA grant and loan funds for which the electric system acted as an intermediary. The electric system had a note payable to USDA at zero percent interest and a note receivable from the Industrial Development Board for the same amount, both requiring monthly payments of \$7,708. However, in June 2014, a modification agreement between the electric system and the Industrial Development Board was executed, retroactive to April 1, 2014, that reduced the amount of the monthly payments to be made by the Industrial Development Board to the electric system to \$3,854 per month. This will result in the electric system advancing the difference between the payments received from the Industrial Development Board and the payments the electric system makes to USDA, which will

remain at the current amount of \$7,708 per month. The loan payable to USDA was paid in full during 2017. The balance of the note receivable at June 30, 2019, was \$69,386.

The second note receivable is for repayment of funds advanced to the Industrial Development Board from the electric system through its participation in the Rural Economic Development Loan and Grant Program (REDLG). This note was also modified and now calls for six annual payments of \$22,500 each. The original note required annual payments of \$45,000 ending in 2017. The balance of the second note receivable at June 30, 2019, was \$22,500.

On October 30, 2017, the electric system executed a new loan agreement with USDA for a Rural Economic Development Loan in the amount of \$1,000,000 that was a pass-through loan to the Weakley County Adult Learning Center. Payments are \$8,333 per month at zero percent interest for ten years. The balance outstanding as of June 30, 2019, was \$833,333. The corresponding note receivable is between the electric system and Weakley County, Tennessee, with the same terms and payments as the USDA note. The note receivable is unsecured by specific collateral. However, said note is backed by the full faith and credit of Weakley County, Tennessee, and was specifically authorized by Weakley County Resolution No. 2016-28.

The notes receivable have been reported in noncurrent assets in the accompanying Statement of Net Position. The amounts due within one year are \$178,124 on the intermediary loan and \$22,500 on the grant funds advanced, for a total current portion of \$200,624 as of June 30, 2019.

In conjunction with the above USDA loan, the electric system is required to have in place an irrevocable letter of credit for \$1,000,000 in favor of the United States Department of Agriculture Rural Development. The electric system has collateralized the letter of credit with a \$1,000,000 certificate of deposit.

On January 23, 2019, the electric system executed a promissory note with the Industrial Development Board of Greenfield, Tennessee, for \$292,500 from its REDLG revolving loan fund. The note receivable is to be repaid with 24 monthly payments of \$2,562 beginning February 1, 2019, at an interest rate of one percent, and the remaining balance shall be due in 96 monthly payments of \$2,514 with interest of one-half percent. The outstanding balance of the note receivable at June 30, 2019, was \$280,666.

6. **Changes in Long-term Liabilities**

Changes in long-term liabilities during the year ended June 30, 2019, are as follows:

	Balance 7-1-18	Payments	Balance 6-30-19	Due Within One Year
USDA Note Payable	\$ 933,333	\$ 100,000	\$ 833,333	\$ 100,000

7. **Restricted Net Position**

The electric system received grant monies from the Rural Economic Development Loan and Grant Program in a prior year to be used solely for the establishment and operation of a Revolving Loan Fund to finance approved rural economic development projects. The electric system advanced these monies to the industrial development boards of Weakley County and the City of Greenfield, who are currently repaying these advances with annual payments (see Note VI.B.5). The repayments are being deposited into a restricted account as they are received. The grant agreement contains affirmative covenants requiring that the contribution deposited in the fund by the electric system, along with repayments of original loans and any interest earnings, will remain part of the fund and be used to finance approved projects. As a result, the full amount of the Revolving Loan Fund has been reported as restricted net position.

C. **Other Information**

1. **Pension Plan**

Pension – Legacy Plan

General Information about the Pension Plan

Plan Description. Employees of Weakley County Municipal Electric System are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	31
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	4
Active Employees	<u>41</u>
Total	<u><u>76</u></u>

This plan was closed to new entrants as of June 30, 2013. All new employees beginning July 1, 2013, will be covered by the new Hybrid Pension Plan.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Weakley County Municipal Electric System makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, the employer contributions for Weakley County Municipal Electric System were \$520,092 based on a rate of 18.43 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Weakley County Municipal Electric System's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by

members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Weakley County Municipal Electric System's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance, July 1, 2017	\$ 13,383,830	\$ 10,618,730	\$ 2,765,100
Changes for the Year:			
Service Cost	\$ 179,183	\$ 0	\$ 179,183
Interest	959,976	0	959,976
Differences Between Expected and Actual Experience	72,214	0	72,214
Changes in Assumptions	0		0
Contributions-Employer	0	502,778	(502,778)
Contributions-Employees	0	136,402	(136,402)
Net Investment Income	0	881,052	(881,052)
Benefit Payments, Including Refunds of Employee Contributions	(643,935)	(643,935)	0
Administrative Expense	0	(4,022)	4,022
Other Changes	0	0	0
Net Changes	\$ 567,438	\$ 872,275	\$ (304,837)
Balance, June 30, 2018	\$ 13,951,268	\$ 11,491,005	\$ 2,460,263

Actuarial Assumptions. The total pension liability as of June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	5.69	%	31	%
International Equity Emerging Market	5.29		14	
International Equity Private Equity and Strategic Lending	6.36		4	
U.S. Fixed Income	5.79		20	
Real Estate	2.01		20	
Short-term Securities	4.32		10	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Weakley County Municipal Electric System will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Weakley County Municipal Electric System calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1%	Current Discount Rate	1%
Weakley County	Decrease		Increase
Electric System	6.25%	7.25%	8.25%

Net Pension Liability (Asset) \$ 4,104,411 \$ 2,460,263 \$ 1,089,243

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense. For the year ended June 30, 2019, Weakley County Municipal Electric System recognized pension expense of \$100,982.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, Weakley County Municipal Electric System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 110,938	\$ 343,766
Net Difference Between Projected and Actual Earnings on Pension Plan	0	49,367
Changes in Assumptions	314,700	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	520,092	N/A
Total	<u>\$ 945,730</u>	<u>\$ 393,133</u>

(1) The amount shown above for “Contributions subsequent to the measurement date of June 30, 2018” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources, and deferred inflows of resources related to the legacy pension plan as of June 30, 2019, will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	4,089
2021	(5,563)
2022	41,842
2023	(7,859)

In the table shown above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Pension – Current Plan

General Information about the Pension Plan

Plan Description. Employees of Weakley County Municipal Electric System hired on or after July 1, 2013, are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits Provided. TCA, Title 8, Chapters 34-37, establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire at age 65 with five years of service credit or pursuant to the rule of 90, in which the member's age and service credit total 90. Members are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Early retirement at a reduced benefit is permitted at age 60 or pursuant to the rule of 80, in which the member's age and service credit total 80. Service-related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	2
Active Employees	<u>15</u>
Total	<u><u>17</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Weakley County Municipal Electric System makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, the employer contributions for Weakley County Municipal Electric System were \$22,737 based on a rate of 2.73 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Weakley County Municipal Electric System's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Weakley County Municipal Electric System's net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4.00%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	5.69	%	31	%
International Equity Emerging Market	5.29		14	
International Equity Private Equity and Strategic Lending	6.36		4	
U.S. Fixed Income	5.79		20	
Real Estate	2.01		20	
Short-term Securities	4.32		10	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Weakley County Municipal Electric System will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pensio Liability (Asset) (a)-(b)
Balance at July 1, 2017	\$ 133,955	\$ 103,075	\$ 30,880
Changes for the Year:			
Service Cost	\$ 41,592	\$ 0	\$ 41,592
Interest	12,727	0	12,727
Differences Between Expected and Actual Experience	3,985	0	3,985
Changes in Assumptions	0		0
Contributions-Employer	0	14,569	(14,569)
Contributions-Employees	0	33,414	(33,414)
Net Investment Income	0	10,488	(10,488)
Benefit Payments, Including Refunds of Employee Contributions	0	0	0
Administrative Expense	0	(1,425)	1,425
Other Changes	0	0	0
Net Changes	\$ 58,304	\$ 57,046	\$ 1,258
Balance, June 30, 2018	\$ 192,259	\$ 160,121	\$ 32,138

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Weakley County Municipal Electric System calculated using the discount rate of 7.25 percent, as well as what the net pension liability

(asset) would be if it was calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1%	Current Discount Rate	1%
Weakley County Electric System	Decrease 6.25%	7.25%	Increase 8.25%

Net Pension Liability (Asset)	\$ 83,914	\$ 32,138	\$ (7,397)
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Expense. For the year ended June 30, 2019, Weakley County Municipal Electric System recognized pension expense of \$17,470.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, Weakley County Municipal Electric System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 41,435	\$ 10
Net Difference Between Projected and Actual Earnings on Pension Plan	0	1,806
Changes in Assumptions	4,328	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	22,737	N/A
Total	<u>\$ 68,500</u>	<u>\$ 1,816</u>

(1) The amount shown above for “Contributions subsequent to the measurement date of June 30, 2018” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources, with the exception of contributions after the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	4,410
2021	4,230
2022	3,809
2023	4,397
2024	4,662
Thereafter	22,439

In the table shown above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

2. **Risk Management**

It is the policy of the electric system to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, casualty, workers' compensation, employee health and accident, and employee and officer liability and dishonesty. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

VII. **OTHER NOTES – DISCRETELY PRESENTED WEAKLEY COUNTY NURSING HOME**

A. **Significant Accounting Policies**

1. **Reporting Entity**

The Weakley County Nursing Home is a discretely presented component unit of Weakley County, Tennessee, and is, therefore, included in their audit report. The board of directors of the Weakley County Nursing Home is comprised of county commissioners who are appointed to the board. Before the issuance of any debt instruments, the nursing home must obtain the approval of the county commission. The Weakley County Nursing Home is located in Dresden, Tennessee, and mainly serves the residents of Weakley County by rendering intermediate and skilled care to patients.

2. **Measurement Focus and Basis of Accounting**

The Weakley County Nursing Home is a governmental unit and uses fund accounting. The nursing home is an enterprise fund in that operations are accounted for in a manner similar to a private business,

where the intent of the governing body is that the costs of operations (including depreciation) will be recovered through user charges. Enterprise funds are a type of proprietary fund, and, as such, are reported in accordance with generally accepted accounting principles for the proprietary funds as defined by the Governmental Accounting Standards Board. Proprietary fund types are reported using the economic resources measurement focus and the accrual basis of accounting. The aim of this measurement focus is to report all inflows, outflows, and balances affecting or reflecting the entity's net position. The accrual basis of accounting recognizes revenues when earned and expenses as incurred, whether or not cash is received or paid out at that time.

Operating revenues in proprietary funds are those revenues generated from the primary operations of the fund. Operating expenses are those expenses that are essential to the primary operations of the fund. All other revenues and expenses are reported as nonoperating.

3. Assets, Liabilities, and Net Position

a. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the nursing home considers cash and cash equivalents to include cash on hand, cash in banks, and highly liquid investments with an original maturity of three months or less when purchased. It does not include certificates of deposit or patient trust funds.

b. Inventories

Inventories, consisting of supplies held for consumption, are valued at cost, using the first-in, first-out (FIFO) method. Inventories are adjusted to physical counts at the end of each fiscal year.

c. Allowance for Doubtful Accounts

An allowance for doubtful accounts has not been reflected as of the balance sheet date. The direct write-off of bad debts is made at the end of each fiscal year. The direct write-off method is not in accordance with generally accepted accounting principles, but the effect on the financial statements is immaterial. For the current year, \$79,682 in bad debts was written-off.

d. Depreciation

Capital assets are recorded at historical cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives for assets are as follows:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	5 - 40
Equipment	5 - 15
Vehicles	5
Other Capital Assets	7 - 10

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets' lives are not capitalized. Typically, purchases of less than \$250 are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

e. Compensated Absences

Employees are entitled to paid vacation and sick days depending on length of service and other factors. Only full-time employees are entitled to those benefits. The policy of the nursing home is to pay eligible employees up to 15 days of vacation time upon termination assuming they had 15 days of vacation time accrued. An accrual of vacation pay has been made on the financial statements presented. However, sick pay has not been accrued since it is payable only for those who are currently employed with no benefits due upon termination of any employee.

f. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The nursing home has items related to pensions that qualify for reporting in this category. See the related disclosures in Note VII.C. for details concerning these balances.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The nursing home has items related to pensions that qualify for reporting in this category. See the related disclosures in Note VII.C. for items that comprise this financial statement element.

g. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employee Retirement Plan administered by the Tennessee Consolidated Retirement System (TCRS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan. Investments are reported at fair value.

h. Other Postemployment Benefits (OPEB)

Management adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the prior year. During the current year, the Tennessee Department of Finance and Administration offered all governments the opportunity to opt-out of the OPEB benefit for its employees and consequently, avoid reporting OPEB activity in its future financial statements. The nursing home chose to do this, and the current year financial statements contain a special item to remove the existing liability and related deferred outflows and inflows by increasing net position by \$107,307.

i. Net Position Flow Assumption

Sometimes the nursing home will fund outlays for a particular purpose from both restricted (e.g., restricted bond and grants proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the nursing home's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

B. Detailed Notes on Accounts

1. Deposits and Investments

The nursing home's policies limit deposits and investments to those instruments allowed by applicable state laws. State statute authorizes the nursing home to invest in bonds, notes, or treasury bills of the United

States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund.

Custodial credit risk of deposits is the risk that in the event of bank failure the government's deposits may not be returned. State statute requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the nursing home's agent in the nursing home's name, or by the Federal Reserve banks acting as third-party agents. As of June 30, 2019, all bank deposits were fully collateralized or insured.

2. Changes in Capital Assets

Capital assets activity for the year ended June 30, 2019, was as follows:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 2,371	\$ 0	0	\$ 2,371
Total Capital Assets Not Depreciated	\$ 2,371	\$ 0	0	\$ 2,371
Capital Assets Depreciated:				
Land Improvements	\$ 71,562	\$ 0	0	\$ 71,562
Building and Improvements	3,594,297	83,166	0	3,677,463
Equipment	2,209,219	56,753	0	2,265,972
Vehicles	42,400	22,275	(21,500)	43,175
Other Assets	40,815	0	0	40,815
Total Capital Assets Depreciated	\$ 5,958,293	\$ 162,194	(21,500)	\$ 6,098,987
Less Accumulated Depreciated For:				
Land Improvements	\$ 51,858	\$ 2,318	0	\$ 54,176
Building and Improvements	2,198,139	70,555	0	2,268,694
Equipment	1,603,718	75,752	0	1,679,470
Vehicles	34,040	8,264	(21,500)	20,804
Other Assets	40,815	0	0	40,815
Total Accumulated Depreciation	\$ 3,928,570	\$ 156,889	(21,500)	\$ 4,063,959
Total Capital Assets Depreciated, Net	\$ 2,029,723	\$ 5,305	0	\$ 2,035,028
Business-type Capital Assets, Net	\$ 2,032,094	\$ 5,305	0	\$ 2,037,399

C. **Other Information**

1. **Risk Management**

The Weakley County Nursing Home felt it was more economically feasible to be covered under Weakley County's insurance policies for workers' compensation, property, casualty, and automobile insurance. Weakley County is covered under the Local Government Property and Casualty Fund (LGPCF). The nursing home pays an annual premium to the LGPCF for coverage under the above areas. The LGPCF has self-insured retention of \$100,000 for each loss and/or claim and/or occurrence. The Weakley County Nursing Home continues to carry commercial insurance for all other risks of loss, including general liability and fidelity bonding. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

2. **Pension Information**

Weakley County Legacy Pension Plan

Plan Description. Employees of Weakley County Nursing Home, a component unit of Weakley County, Tennessee, with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2013, are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The Weakley County Legacy Plan is closed to new membership. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

TCA, Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute.

The nursing home employees comprised 26.56 percent of the Weakley County pension plan based on contribution data.

Benefits Provided. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early

retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Weakley County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, employer contributions for Weakley County Nursing Home were \$172,633 based on a rate of 9.35 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Weakley County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. Weakley County Nursing Home's proportion of the net pension liability (asset) as of June 30, 2018, was 26.56 percent, and was based on the nursing home's proportion of contributions relative to all contributions made under Weakley County's plan.

Pension Expense. For the year ended June 30, 2019, Weakley County Nursing Home recognized pension expense of \$94,108.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, Weakley County Nursing Home reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 25,095	\$ 253,904
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	38,515
Changes in Assumptions	115,170	0
Changes in Proportion and Differences Between their Contributions and their Proportionate Share of Contributions	75,926	71,257
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	172,633	N/A
Total	\$ 388,824	\$ 363,676

(1) The amount shown above for contributions subsequent to the measurement date will be recognized as a reduction (increase) in net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources, with the exception of contributions after the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 31,319
2021	(39,363)
2022	(117,986)
2023	(21,455)

In the table shown above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return		Percentage Target Allocations	
U.S. Equity Developed Market	5.69	%	31	%
International Equity Emerging Market	5.29		14	
International Equity Private Equity and Strategic Lending	6.36		4	
U.S. Fixed Income	5.79		20	
Real Estate	2.01		20	
Short-term Securities	4.32		10	
	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Weakley County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents Weakley County Nursing Home's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what Weakley County Nursing Home's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

Weakley County Nursing Home's Proportionate Share of Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 776,909 \$ (552,847) \$ (1,657,494)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

During the prior year, it was determined that the nursing home had been enrolling employees hired after July 1, 2013, in the existing (legacy) pension plan, rather than in the new hybrid pension plan as required by Weakley County. During the current year, TCRS corrected the affected employees, and payments and adjustments were made to properly reflect both plans on the nursing home's financial statements. As a result, a prior-period adjustment of \$35,912 was made increasing beginning net position to correct the overstated pension expense in prior years that resulted from the incorrect pension allocations between the two plans.

Weakley County Hybrid Pension Plan

Plan Description. Employees of Weakley County Nursing Home, a component unit of Weakley County, Tennessee, with membership in the Tennessee Consolidated Retirement System (TCRS) after July 1, 2013, are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

TCA, Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute.

The nursing home employees comprised 14.39 percent of the Weakley County pension plan based on contribution data.

Benefits Provided. *TCA*, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly.

The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 65 with five years of service or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 and vested or pursuant to the rule of 80 in which the member's age and service credit total 80. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest. Under the Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Weakley County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2019, employer contributions for Weakley County Nursing Home were \$52,535 based on a rate of 5.94 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Weakley County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension Liability (Asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. Weakley County Nursing Home's proportion of the net pension liability (asset) as of June 30, 2018, was 14.39 percent, and was based on the nursing home's proportion of contributions relative to all contributions made under Weakley County's plan.

Pension Expense. For the year ended June 30, 2019, Weakley County Nursing Home recognized pension expense of \$24,217.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, Weakley County Nursing Home reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 10,590	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	877
Changes in Assumptions	1,052	0
Changes in Proportion and Differences Between their Contributions and their Proportionate Share of Contributions	0	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	52,535	N/A
Total	<u>\$ 64,177</u>	<u>\$ 877</u>

(2) The amount shown above for contributions subsequent to the measurement date will be recognized as a reduction (increase) in net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources, with the exception of contributions after the measurement date, and deferred inflows of

resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 1,260
2021	1,174
2022	995
2023	1,265
2024	1,393
Thereafter	4,678

In the table shown above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial Assumptions. The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset

allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Weakley County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents Weakley County Nursing Home's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what Weakley County Nursing Home's proportionate share of the net pension

liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

Weakley County Nursing Home's Proportionate Share of Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	\$ 18,170	\$ (930)	\$ (15,623)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

Total pension expense in the aggregate under all plans for the year ended June 30, 2019, was \$118,325 and is reported in the Statement of Activities under operating expenses.

REQUIRED SUPPLEMENTARY INFORMATION

Weakley County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government - Agent Legacy Pension Plan
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 870,746	\$ 817,979	\$ 799,719	\$ 806,801	\$ 812,366
Interest	2,278,620	2,373,613	2,541,077	2,618,239	2,731,976
Differences Between Actual and Expected Experience	(611,050)	472,430	(880,242)	(141,653)	(574,931)
Changes in Assumptions	0	0	0	867,244	0
Benefit Payments, Including Refunds of Employee Contributions	(1,156,083)	(1,281,867)	(1,543,956)	(1,333,653)	(1,433,601)
Net Change in Total Pension Liability	\$ 1,382,233	\$ 2,382,155	\$ 916,598	\$ 2,816,978	\$ 1,535,810
Total Pension Liability, Beginning	30,088,895	31,471,128	33,853,283	34,769,881	37,586,859
Total Pension Liability, Ending (a)	\$ 31,471,128	\$ 33,853,283	\$ 34,769,881	\$ 37,586,859	\$ 39,122,669
Plan Fiduciary Net Position					
Contributions - Employer	\$ 1,155,571	\$ 691,949	\$ 666,139	\$ 662,981	\$ 598,054
Contributions - Employee	377	885	706	1,048	458
Net Investment Income	4,991,455	1,071,472	931,172	3,992,696	3,191,063
Benefit Payments, Including Refunds of Employee Contributions	(1,156,083)	(1,281,867)	(1,543,956)	(1,333,653)	(1,433,601)
Administrative Expense	(16,841)	(19,046)	(26,102)	(27,756)	(26,329)
Other Changes	0	0	0	(5,292)	0
Net Change in Plan Fiduciary Net Position	\$ 4,974,479	\$ 463,393	\$ 27,959	\$ 3,290,024	\$ 2,329,645
Plan Fiduciary Net Position, Beginning	30,118,668	35,093,147	35,556,540	35,584,499	38,874,523
Plan Fiduciary Net Position, Ending (b)	\$ 35,093,147	\$ 35,556,540	\$ 35,584,499	\$ 38,874,523	\$ 41,204,168
Net Pension Liability (Asset), Ending (a - b)	\$ (3,622,019)	\$ (1,703,257)	\$ (814,618)	\$ (1,287,664)	\$ (2,081,499)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	111.51%	105.03%	102.34%	103.43%	105.32%
Covered Payroll	\$ 10,317,608	\$ 9,438,724	\$ 9,072,469	\$ 9,044,755	\$ 8,158,995
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(35.11)%	(18.05)%	(8.98)%	(14.24)%	(25.51)%

Note: Ten years of data will be presented when available.

Note: The agent legacy pension plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government, non-certified employees of the discretely presented school department, and the discretely presented Weakley County Nursing Home.

Exhibit F-2

Weakley County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government - Agent Hybrid Pension Plan
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 0	\$ 37,994	\$ 59,801	\$ 121,532	\$ 142,486
Interest	0	3,225	8,549	22,715	34,911
Differences Between Actual and Expected Experience	5,001	7,971	58,794	4,693	21,365
Changes in Assumption	0	0	0	8,775	0
Net Change in Total Pension Liability	\$ 5,001	\$ 49,190	\$ 127,144	\$ 157,715	\$ 198,762
Total Pension Liability, Beginning	0	5,001	54,191	181,335	339,050
Total Pension Liability, Ending (a)	\$ 5,001	\$ 54,191	\$ 181,335	\$ 339,050	\$ 537,812
Plan Fiduciary Net Position					
Contributions - Employer	\$ 6,909	\$ 37,994	\$ 88,234	\$ 132,042	\$ 186,214
Net Investment Income	6,574	2,089	3,458	27,483	35,097
Administrative Expense	(315)	(1,503)	(6,202)	(8,686)	(13,508)
Other Changes	0	0	0	12,022	0
Net Change in Plan Fiduciary Net Position	\$ 13,168	\$ 38,580	\$ 85,490	\$ 162,861	\$ 207,803
Plan Fiduciary Net Position, Beginning	36,375	49,543	88,123	173,613	336,474
Plan Fiduciary Net Position, Ending (b)	\$ 49,543	\$ 88,123	\$ 173,613	\$ 336,474	\$ 544,277
Net Pension Liability (Asset), Ending (a - b)	\$ (44,542)	\$ (33,932)	\$ 7,722	\$ 2,576	\$ (6,465)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	990.66%	162.62%	95.74%	99.24%	101.20%
Covered Payroll	\$ 117,100	\$ 700,719	\$ 1,630,279	\$ 2,237,994	\$ 3,156,166
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(38.04)%	(4.84)%	0.47%	0.12%	(0.20)%

Note: Ten years of data will be presented when available.

Note: The agent hybrid pension plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government, non-certified employees of the discretely presented school department, and the discretely presented Weakley County Nursing Home.

Exhibit F-3

Weakley County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government - Weakley County Municipal Electric System -Agent Legacy Pension Plan
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 169,698	\$ 169,789	\$ 171,725	\$ 180,336	\$ 179,183
Interest	896,430	895,333	920,168	912,004	959,976
Differences Between Actual and Expected Experience	(418,395)	(98,934)	(602,645)	88,613	72,214
Changes in Assumptions	0	0	0	524,500	0
Benefit Payments, Including Refunds of Employee Contributions	(661,624)	(663,267)	(610,726)	(602,688)	(643,935)
Net Change in Total Pension Liability	\$ (13,891)	\$ 302,921	\$ (121,478)	\$ 1,102,765	\$ 567,438
Total Pension Liability, Beginning	12,113,513	12,099,622	12,402,543	12,281,065	13,383,830
Total Pension Liability, Ending (a)	\$ 12,099,622	\$ 12,402,543	\$ 12,281,065	\$ 13,383,830	\$ 13,951,268
Plan Fiduciary Net Position					
Contributions - Employer	\$ 509,006	\$ 495,799	\$ 489,710	\$ 514,976	\$ 502,778
Contributions - Employee	135,374	134,436	132,785	139,636	136,402
Net Investment Income	1,281,195	276,573	245,156	1,078,336	881,052
Benefit Payments, Including Refunds of Employee Contributions	(661,624)	(663,267)	(610,726)	(602,688)	(643,935)
Administrative Expense	(2,157)	(2,365)	(3,480)	(3,791)	(4,022)
Net Change in Plan Fiduciary Net Position	\$ 1,261,794	\$ 241,176	\$ 253,445	\$ 1,126,469	\$ 872,275
Plan Fiduciary Net Position, Beginning	7,735,846	8,997,640	9,238,816	9,492,261	10,618,730
Plan Fiduciary Net Position, Ending (b)	\$ 8,997,640	\$ 9,238,816	\$ 9,492,261	\$ 10,618,730	\$ 11,491,005
Net Pension Liability (Asset), Ending (a - b)	\$ 3,101,982	\$ 3,163,727	\$ 2,788,804	\$ 2,765,100	\$ 2,460,263
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	74.36%	74.49%	77.29%	79.34%	82.37%
Covered Payroll	\$ 2,707,481	\$ 2,688,713	\$ 2,655,691	\$ 2,792,712	\$ 2,728,041
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(114.57)%	(117.67)%	(105.01)%	(99.01)%	(90.18)%

Note: Ten years of data will be presented when available.

Exhibit F-4

Weakley County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government - Weakley County Municipal Electric System - Agent Hybrid Pension Plan
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 1,061	\$ 19,619	\$ 20,869	\$ 25,448	\$ 41,592
Interest	80	1,509	4,344	7,710	12,727
Differences Between Actual and Expected Experience	(20)	16,049	15,089	18,325	3,985
Changes in Assumptions	0	0	0	5,116	0
Benefit Payments, Including Refunds of Employee Contributions	0	(1,244)	0	0	0
Net Change in Total Pension Liability	\$ 1,121	\$ 35,933	\$ 40,302	\$ 56,599	\$ 58,304
Total Pension Liability, Beginning	0	1,121	37,054	77,356	133,955
Total Pension Liability, Ending (a)	\$ 1,121	\$ 37,054	\$ 77,356	\$ 133,955	\$ 192,259
Plan Fiduciary Net Position					
Contributions - Employer	\$ 2,577	\$ 5,505	\$ 7,841	\$ 10,975	\$ 14,569
Contributions - Employee	6,443	14,114	20,104	26,257	33,414
Net Investment Income	988	626	1,159	8,667	10,488
Benefit Payments, Including Refunds of Employee Contributions	0	(1,244)	0	0	0
Administrative Expense	(216)	(385)	(810)	(1,078)	(1,425)
Net Change in Plan Fiduciary Net Position	\$ 9,792	\$ 18,616	\$ 28,294	\$ 44,821	\$ 57,046
Plan Fiduciary Net Position, Beginning	1,552	11,344	29,960	58,254	103,075
Plan Fiduciary Net Position, Ending (b)	\$ 11,344	\$ 29,960	\$ 58,254	\$ 103,075	\$ 160,121
Net Pension Liability (Asset), Ending (a - b)	\$ (10,223)	\$ 7,094	\$ 19,102	\$ 30,880	\$ 32,138
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	1011.95%	80.85%	75.31%	76.95%	83.28%
Covered Payroll	\$ 128,853	\$ 282,289	\$ 402,087	\$ 525,133	\$ 668,286
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(7.93)%	2.51%	4.75%	5.88%	4.81%

Note: Ten years of data will be presented when available.

Exhibit F-5

Weakley County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government - Agent Legacy Pension Plan
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 1,155,571	\$ 691,949	\$ 666,139	\$ 662,981	\$ 598,054	\$ 704,839
Less Contributions in Relation to the Actuarially Determined Contribution	(1,155,571)	(691,949)	(666,139)	(662,981)	(598,054)	(704,839)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 10,317,608	\$ 9,438,724	\$ 9,072,469	\$ 9,044,755	\$ 8,158,995	\$ 7,538,386
Contributions as a Percentage of Covered Payroll	11.20%	7.33%	7.34%	7.33%	7.33%	9.35%

Note: Ten years of data will be presented when available.

Note: The agent legacy pension plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government, non-certified employees of the discretely presented school department, and the discretely presented Weakley County Nursing Home.

Exhibit F-6

Weakley County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government - Agent Hybrid Pension Plan
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 6,909	\$ 37,994	\$ 88,234	\$ 132,042	\$ 186,214	\$ 285,148
Less Contributions in Relation to the Actuarially Determined Contribution	(6,909)	(37,994)	(88,234)	(132,042)	(186,214)	(285,148)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 117,100	\$ 700,719	\$ 1,630,279	\$ 2,237,994	\$ 3,156,166	\$ 4,800,445
Contributions as a Percentage of Covered Payroll	5.90%	5.42%	5.41%	5.90%	5.90%	5.94%

Note: Ten years of data will be presented when available.

Note: The agent hybrid pension plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government, non-certified employees of the discretely presented school department, and the discretely presented Weakley County Nursing Home.

Exhibit F-7

Weakley County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government - Weakley County Municipal Electric System - Agent Legacy Pension Plan
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 509,006	\$ 495,799	\$ 489,710	\$ 514,976	\$ 502,778	\$ 520,092
Less Contributions in Relation to the						
Actuarially Determined Contribution	(509,006)	(495,799)	(489,710)	(514,976)	(502,778)	(520,092)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 2,707,481	\$ 2,688,713	\$ 2,655,691	\$ 2,792,712	\$ 2,728,041	\$ 2,821,987
Contributions as a Percentage of Covered Payroll	18.80%	18.44%	18.44%	18.44%	18.43%	18.43%

Note: Ten years of data will be presented when available.

Exhibit F-8

Weakley County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government - Weakley County Municipal Electric System - Agent Hybrid Pension Plan
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 2,577	\$ 5,505	\$ 7,841	\$ 10,975	\$ 14,569	\$ 22,737
Less Contributions in Relation to the						
Actuarially Determined Contribution	(2,577)	(5,505)	(7,841)	(10,975)	(14,569)	(22,737)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 128,853	\$ 282,289	\$ 402,087	\$ 525,133	\$ 668,286	\$ 832,845
Contributions as a Percentage of Covered Payroll	2.00%	1.95%	1.95%	2.09%	2.18%	2.73%

Note: Ten years of data will be presented when available.

Exhibit F-9

Weakley County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Weakley County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018	2019*
Contractually Required Contribution	\$ 15,689	\$ 27,494	\$ 58,310	\$ 93,908	\$ 49,922
Less Contributions in Relation to the					
Contractually Required Contribution	(15,689)	(27,494)	(58,310)	(93,908)	(49,922)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 392,239	\$ 687,346	\$ 1,492,983	\$ 2,008,402	\$ 2,574,837
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	3.91%	4.68%	1.94%

* In FY 2019 the school department placed the actuarially determined contribution rate (1.94%) of covered payroll into the pension plan and placed 1.97% of covered payroll into the Pension Stabilization Reserve Trust.

Note: Ten years of data will be presented when available.

Exhibit F-10

Weakley County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Weakley County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 1,451,331	\$ 1,438,878	\$ 1,426,497	\$ 1,369,326	\$ 1,293,449	\$ 1,471,024
Less Contributions in Relation to the						
Contractually Required Contribution	(1,451,331)	(1,438,878)	(1,426,497)	(1,369,326)	(1,293,449)	(1,471,024)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 16,343,821	\$ 15,916,836	\$ 15,780,015	\$ 15,112,238	\$ 14,582,721	\$ 14,065,084
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.06%	8.87%	10.46%

Note: Ten years of data will be presented when available.

Weakley County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Retirement Plan of TCRS
Discretely Presented Weakley County School Department
For the Fiscal Year Ended June 30

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.18878%	0.156212%	0.222103%	0.268652%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (7,595) \$	(16,262) \$	(58,598) \$	(121,841)
Covered Payroll	\$ 392,239 \$	687,346 \$	1,492,983 \$	2,008,402
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(3.92)%	(6.07)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%

Note: Ten years of data will be presented when available.

Weakley County, Tennessee
Schedule of Proportionate Share of the Net Pension Asset
in the Teacher Legacy Pension Plan of TCRS
Discretely Presented Weakley County School Department
For the Fiscal Year Ended June 30

	2014	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.416404%	0.425184%	0.437139%	0.428504%	0.406806%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (67,663)	\$ 174,170	\$ 2,731,876	\$ (140,201)	\$ (1,431,517)
Covered Payroll	\$ 16,343,821	\$ 15,916,836	\$ 15,780,015	\$ 15,112,238	\$ 14,582,712
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.414002)%	1.094251%	17.31%	(.093)%	(9.82)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%

Note: Ten years of data will be presented when available.

Exhibit F-13

Weakley County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan
Discretely Presented Weakley County School Department
For the Fiscal Year Ended June 30

	2017	2018
Total OPEB Liability		
Service Cost	\$ 269,850	\$ 248,970
Interest	153,414	180,941
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	0	(771,885)
Changes in Assumptions or Other Inputs	(225,525)	104,072
Benefit Payments	(336,542)	(359,803)
Net Change in Total OPEB Liability	\$ (138,803)	\$ (597,705)
Total OPEB Liability, Beginning	5,152,334	5,013,531
Total OPEB Liability, Ending	<u>\$ 5,013,531</u>	<u>\$ 4,415,826</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 1,804,234	\$ 1,544,347
Employer Proportionate Share of the Total OPEB Liability	3,209,297	2,871,479
Covered Employee Payroll	\$ 18,871,609	\$ 20,441,379
Net OPEB Liability as a Percentage of Covered Employee Payroll	17.01%	14.05%

Note 1: Ten years of data will be presented when available.

Note 2. Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%
2019	3.62 %

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

WEAKLEY COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2019 were calculated based on the June 30, 2017, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Weakley County Agent Legacy Plan and Weakley County Municipal Electric System Agent Legacy Plan:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation Averaging 4%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

Changes of Assumptions: In 2017, the following assumptions were changed: (1) decreased the inflation rate from 3.0 to 2.5 percent; (2) decreased the investment rate from 7.5 to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 to 2.25 percent; (4) decreased the salary growth rate graded ranges from an average of 4.25 to 4.0 percent; and (5) modified the mortality assumptions.

(Continued)

Weakley County Agent Hybrid Plan and Weakley County Municipal Electric System Agent Hybrid Plan:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation Averaging 4%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.25%

Changes of Assumptions: In 2017, the following assumptions were changed: (1) decreased the inflation rate from 3.0 to 2.5 percent; (2) decreased the investment rate from 7.5 to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 to 2.25 percent; (4) decreased the salary growth rate graded ranges from an average of 4.25 to 4.0 percent; and (5) modified the mortality assumptions.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Weakley County’s recycling center operations.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

Capital Projects Funds

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for road and bridge construction, highway equipment purchases, and county road system renovations.

Exhibit G-1

Weakley County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 2,477	\$ 2,477	\$ 0
Equity in Pooled Cash and Investments	121,422	162,011	0	283,433	5,613
Accounts Receivable	143	0	17,007	17,150	0
Total Assets	<u>\$ 121,565</u>	<u>\$ 162,011</u>	<u>\$ 19,484</u>	<u>\$ 303,060</u>	<u>\$ 5,613</u>
<u>LIABILITIES</u>					
Payroll Deductions Payable	\$ 56	\$ 0	\$ 0	\$ 56	\$ 0
Due to Other Funds	0	0	19,484	19,484	0
Total Liabilities	<u>\$ 56</u>	<u>\$ 0</u>	<u>\$ 19,484</u>	<u>\$ 19,540</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 162,011	\$ 0	\$ 162,011	\$ 0
Restricted for Public Health and Welfare	121,509	0	0	121,509	0
Restricted for Capital Projects	0	0	0	0	5,613
Total Fund Balances	<u>\$ 121,509</u>	<u>\$ 162,011</u>	<u>\$ 0</u>	<u>\$ 283,520</u>	<u>\$ 5,613</u>
Total Liabilities and Fund Balances	<u>\$ 121,565</u>	<u>\$ 162,011</u>	<u>\$ 19,484</u>	<u>\$ 303,060</u>	<u>\$ 5,613</u>

(Continued)

Exhibit G-1

Weakley County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Highway Capital Projects	Total	
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 2,477
Equity in Pooled Cash and Investments	353,877	359,490	642,923
Accounts Receivable	0	0	17,150
Total Assets	<u>\$ 353,877</u>	<u>\$ 359,490</u>	<u>\$ 662,550</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 0	\$ 0	\$ 56
Due to Other Funds	0	0	19,484
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,540</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Public Safety	\$ 0	\$ 0	\$ 162,011
Restricted for Public Health and Welfare	0	0	121,509
Restricted for Capital Projects	353,877	359,490	359,490
Total Fund Balances	<u>\$ 353,877</u>	<u>\$ 359,490</u>	<u>\$ 643,010</u>
Total Liabilities and Fund Balances	<u>\$ 353,877</u>	<u>\$ 359,490</u>	<u>\$ 662,550</u>

Exhibit G-2

Weakley County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds			Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Total	General Capital Projects
<u>Revenues</u>				
Local Taxes	\$ 440	\$ 0	\$ 440	\$ 0
Fines, Forfeitures, and Penalties	0	22,916	22,916	0
Charges for Current Services	26,983	0	26,983	0
Other Local Revenues	0	885	885	0
Total Revenues	\$ 27,423	\$ 23,801	\$ 51,224	\$ 0
<u>Expenditures</u>				
Current:				
Public Safety	\$ 0	\$ 53,690	\$ 53,690	\$ 0
Public Health and Welfare	18,934	0	18,934	0
Capital Projects	0	0	0	15,744
Total Expenditures	\$ 18,934	\$ 53,690	\$ 72,624	\$ 15,744
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,489	\$ (29,889)	\$ (21,400)	\$ (15,744)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 8,489	\$ (29,889)	\$ (21,400)	\$ (15,744)
Fund Balance, July 1, 2018	113,020	191,900	304,920	21,357
Fund Balance, June 30, 2019	\$ 121,509	\$ 162,011	\$ 283,520	\$ 5,613

(Continued)

Exhibit G-2

Weakley County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Highway Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 440
Fines, Forfeitures, and Penalties	0	0	22,916
Charges for Current Services	0	0	26,983
Other Local Revenues	0	0	885
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 51,224</u>
<u>Expenditures</u>			
Current:			
Public Safety	\$ 0	\$ 0	\$ 53,690
Public Health and Welfare	0	0	18,934
Capital Projects	96,125	111,869	111,869
Total Expenditures	<u>\$ 96,125</u>	<u>\$ 111,869</u>	<u>\$ 184,493</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (96,125)</u>	<u>\$ (111,869)</u>	<u>\$ (133,269)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 450,000	\$ 450,000	\$ 450,000
Total Other Financing Sources (Uses)	<u>\$ 450,000</u>	<u>\$ 450,000</u>	<u>\$ 450,000</u>
Net Change in Fund Balances	\$ 353,875	\$ 338,131	\$ 316,731
Fund Balance, July 1, 2018	<u>2</u>	<u>21,359</u>	<u>326,279</u>
Fund Balance, June 30, 2019	<u><u>\$ 353,877</u></u>	<u><u>\$ 359,490</u></u>	<u><u>\$ 643,010</u></u>

Exhibit G-3

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 440	\$ 1,726	\$ 1,726	\$ (1,286)
Charges for Current Services	26,983	22,800	22,800	4,183
Other Local Revenues	0	300	300	(300)
Total Revenues	<u>\$ 27,423</u>	<u>\$ 24,826</u>	<u>\$ 24,826</u>	<u>\$ 2,597</u>
<u>Expenditures</u>				
Public Health and Welfare				
Recycling Center	\$ 18,934	\$ 31,497	\$ 31,497	\$ 12,563
Total Expenditures	<u>\$ 18,934</u>	<u>\$ 31,497</u>	<u>\$ 31,497</u>	<u>\$ 12,563</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 8,489</u>	<u>\$ (6,671)</u>	<u>\$ (6,671)</u>	<u>\$ 15,160</u>
Net Change in Fund Balance	\$ 8,489	\$ (6,671)	\$ (6,671)	\$ 15,160
Fund Balance, July 1, 2018	<u>113,020</u>	<u>113,125</u>	<u>113,125</u>	<u>(105)</u>
Fund Balance, June 30, 2019	<u><u>\$ 121,509</u></u>	<u><u>\$ 106,454</u></u>	<u><u>\$ 106,454</u></u>	<u><u>\$ 15,055</u></u>

Exhibit G-4

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 22,916	\$ 40,000	\$ 40,000	\$ (17,084)
Other Local Revenues	885	600	600	285
Total Revenues	<u>\$ 23,801</u>	<u>\$ 40,600</u>	<u>\$ 40,600</u>	<u>\$ (16,799)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 53,690	\$ 85,200	\$ 85,200	\$ 31,510
Total Expenditures	<u>\$ 53,690</u>	<u>\$ 85,200</u>	<u>\$ 85,200</u>	<u>\$ 31,510</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (29,889)</u>	<u>\$ (44,600)</u>	<u>\$ (44,600)</u>	<u>\$ 14,711</u>
Net Change in Fund Balance	\$ (29,889)	\$ (44,600)	\$ (44,600)	\$ 14,711
Fund Balance, July 1, 2018	<u>191,900</u>	<u>191,899</u>	<u>191,899</u>	<u>1</u>
Fund Balance, June 30, 2019	<u><u>\$ 162,011</u></u>	<u><u>\$ 147,299</u></u>	<u><u>\$ 147,299</u></u>	<u><u>\$ 14,712</u></u>

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Exhibit H

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,672,464	\$ 2,810,096	\$ 2,645,473	\$ 26,991
Other Local Revenues	379,634	100,000	100,000	279,634
Other Governments and Citizens Groups	424,790	424,780	424,780	10
Total Revenues	<u>\$ 3,476,888</u>	<u>\$ 3,334,876</u>	<u>\$ 3,170,253</u>	<u>\$ 306,635</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 15,984	\$ 15,984	\$ 15,984	\$ 0
Education	2,215,809	2,215,701	2,215,809	0
<u>Interest on Debt</u>				
Education	258,264	296,985	296,877	38,613
<u>Other Debt Service</u>				
General Government	57,884	60,000	60,000	2,116
Education	19,582	30,000	30,000	10,418
Total Expenditures	<u>\$ 2,567,523</u>	<u>\$ 2,618,670</u>	<u>\$ 2,618,670</u>	<u>\$ 51,147</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 909,365</u>	<u>\$ 716,206</u>	<u>\$ 551,583</u>	<u>\$ 357,782</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 164,623	0	\$ 164,623	\$ 0
Transfers Out	(450,000)	(5,964)	(455,964)	5,964
Total Other Financing Sources	<u>\$ (285,377)</u>	<u>\$ (5,964)</u>	<u>\$ (291,341)</u>	<u>\$ 5,964</u>
Net Change in Fund Balance	\$ 623,988	\$ 710,242	\$ 260,242	\$ 363,746
Fund Balance, July 1, 2018	<u>2,289,108</u>	<u>2,215,241</u>	<u>2,215,241</u>	<u>73,867</u>
Fund Balance, June 30, 2019	<u><u>\$ 2,913,096</u></u>	<u><u>\$ 2,925,483</u></u>	<u><u>\$ 2,475,483</u></u>	<u><u>\$ 437,613</u></u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Watershed District Fund – The Watershed District Fund is used to account for acreage assessments collected on drainage district properties located in the county. These funds are held in trust for the benefit of the Watershed District.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of District Attorney General.

Exhibit I-1

Weakley County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	Agency Funds				
	Cities - Sales Tax	Watershed District	Constitu - tional Officers - Agency	District Attorney General	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 935,851	\$ 0	\$ 935,851
Equity in Pooled Cash and Investments	0	295,807	0	115,438	411,245
Due from Other Governments	635,840	0	0	277	636,117
Total Assets	<u>\$ 635,840</u>	<u>\$ 295,807</u>	<u>\$ 935,851</u>	<u>\$ 115,715</u>	<u>\$ 1,983,213</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 635,840	\$ 295,807	\$ 0	\$ 0	\$ 931,647
Due to Litigants, Heirs, and Others	0	0	935,851	115,715	1,051,566
Total Liabilities	<u>\$ 635,840</u>	<u>\$ 295,807</u>	<u>\$ 935,851</u>	<u>\$ 115,715</u>	<u>\$ 1,983,213</u>

Exhibit I-2

Weakley County, TennesseeCombining Statement of Changes in Assets and Liabilities - All Agency FundsFor the Year Ended June 30, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,797,636	\$ 3,797,636	\$ 0
Due from Other Governments	608,742	635,840	608,742	635,840
Total Assets	\$ 608,742	\$ 4,433,476	\$ 4,406,378	\$ 635,840
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 608,742	\$ 4,433,476	\$ 4,406,378	\$ 635,840
Total Liabilities	\$ 608,742	\$ 4,433,476	\$ 4,406,378	\$ 635,840
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 298,848	\$ 7,606	\$ 10,647	\$ 295,807
Total Assets	\$ 298,848	\$ 7,606	\$ 10,647	\$ 295,807
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 298,848	\$ 7,606	\$ 10,647	\$ 295,807
Total Liabilities	\$ 298,848	\$ 7,606	\$ 10,647	\$ 295,807
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,074,146	\$ 6,778,116	\$ 6,916,411	\$ 935,851
Total Assets	\$ 1,074,146	\$ 6,778,116	\$ 6,916,411	\$ 935,851
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,074,146	\$ 6,778,116	\$ 6,916,411	\$ 935,851
Total Liabilities	\$ 1,074,146	\$ 6,778,116	\$ 6,916,411	\$ 935,851

(Continued)

Exhibit I-2

Weakley County, TennesseeCombining Statement of Changes in Assets and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 123,299	\$ 11,004	\$ 18,865	\$ 115,438
Due from Other Governments	613	277	613	277
Total Assets	<u>\$ 123,912</u>	<u>\$ 11,281</u>	<u>\$ 19,478</u>	<u>\$ 115,715</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 123,912	\$ 11,281	\$ 19,478	\$ 115,715
Total Liabilities	<u>\$ 123,912</u>	<u>\$ 11,281</u>	<u>\$ 19,478</u>	<u>\$ 115,715</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,074,146	\$ 6,778,116	\$ 6,916,411	\$ 935,851
Equity in Pooled Cash and Investments	422,147	3,816,246	3,827,148	411,245
Due from Other Governments	609,355	636,117	609,355	636,117
Total Assets	<u>\$ 2,105,648</u>	<u>\$ 11,230,479</u>	<u>\$ 11,352,914</u>	<u>\$ 1,983,213</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 907,590	\$ 4,441,082	\$ 4,417,025	\$ 931,647
Due to Litigants, Heirs, and Others	1,198,058	6,789,397	6,935,889	1,051,566
Total Liabilities	<u>\$ 2,105,648</u>	<u>\$ 11,230,479</u>	<u>\$ 11,352,914</u>	<u>\$ 1,983,213</u>

Weakley County School Department

This section presents combining and individual fund financial statements for the Weakley County School Department, a discretely presented component unit. The school department used a General Fund, two Special Revenue Funds, and a Capital Projects Fund.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the school department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the school department.

Exhibit J-1

Weakley County, Tennessee
Statement of Activities
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 21,322,870	\$ 131,632	\$ 2,547,954	\$ 0	\$ (18,643,284)
Support Services	10,268,310	143,208	837,920	0	(9,287,182)
Operation of Non-instructional Services	3,344,058	587,669	2,683,382	0	(73,007)
Total Governmental Activities	<u>\$ 34,935,238</u>	<u>\$ 862,509</u>	<u>\$ 6,069,256</u>	<u>\$ 0</u>	<u>\$ (28,003,473)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,618,142
Local Option Sales Taxes					4,162,659
Wheel Tax					131,324
Other Local Taxes					25,793
Grants and Contributions Not Restricted to Specific Programs					22,693,724
Miscellaneous					143,172
Total General Revenues					<u>\$ 30,774,814</u>
Change in Net Position					\$ 2,771,341
Net Position, July 1, 2018					<u>37,640,237</u>
Net Position, June 30, 2019					<u>\$ 40,411,578</u>

Exhibit J-2

Weakley County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Weakley County School Department
June 30, 2019

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 8,123,010	\$ 1,709,038	\$ 9,832,048
Accounts Receivable	250	3,787	4,037
Due from Other Governments	875,185	223,074	1,098,259
Property Taxes Receivable	3,755,447	0	3,755,447
Allowance for Uncollectible Property Taxes	(82,229)	0	(82,229)
Restricted Assets	53,453	0	53,453
Total Assets	\$ 12,725,116	\$ 1,935,899	\$ 14,661,015
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 49,632	\$ 49,632
Accrued Payroll	1,724,691	209,775	1,934,466
Payroll Deductions Payable	942,638	107,474	1,050,112
Total Liabilities	\$ 2,667,329	\$ 366,881	\$ 3,034,210
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,603,092	\$ 0	\$ 3,603,092
Deferred Delinquent Property Taxes	59,178	0	59,178
Other Deferred/Unavailable Revenue	343,293	0	343,293
Total Deferred Inflows of Resources	\$ 4,005,563	\$ 0	\$ 4,005,563
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 129,503	\$ 11,940	\$ 141,443
Restricted for Operation of Non-instructional Services	0	820,864	820,864
Restricted for Capital Projects	0	586,214	586,214
Restricted for Hybrid Retirement Stabilization Funds	53,453	0	53,453
Assigned:			
Assigned for Education	4,762	150,000	154,762
Assigned for Support Services	408,657	0	408,657
Assigned for Operation of Non-instructional Services	27	0	27
Assigned for Capital Outlay	82,277	0	82,277
Unassigned	5,373,545	0	5,373,545
Total Fund Balances	\$ 6,052,224	\$ 1,569,018	\$ 7,621,242
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,725,116	\$ 1,935,899	\$ 14,661,015

Exhibit J-3

Weakley County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Weakley County School Department
June 30, 2019

Amounts reported for governmental activities in the
statement of net position (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	7,621,242
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,968,347	
Add: buildings and improvements net of accumulated depreciation		30,214,701	
Add: other capital assets net of accumulated depreciation		<u>675,403</u>	32,858,451
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$	(46,300)	
Less: net OPEB liability		<u>(2,871,479)</u>	(2,917,779)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	3,238,260	
Less: deferred inflows of resources related to pensions		(2,715,154)	
Add: deferred outflows of resources related to OPEB		334,273	
Less: deferred inflows of resources related to OPEB		<u>(570,992)</u>	286,387
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent legacy pension plan	\$	605,715	
Add: net pension asset - agent hybrid pension plan		1,733	
Add: net pension asset - teacher retirement plan		121,841	
Add: net pension asset - teacher legacy pension plan		<u>1,431,517</u>	2,160,806
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>402,471</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>40,411,578</u></u>

Exhibit J-4

Weakley County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2019

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 8,170,739	\$ 0	\$ 8,170,739
Licenses and Permits	1,852	0	1,852
Charges for Current Services	274,840	587,669	862,509
Other Local Revenues	133,244	31,256	164,500
State of Tennessee	23,774,767	21,041	23,795,808
Federal Government	20,738	4,684,131	4,704,869
Total Revenues	<u>\$ 32,376,180</u>	<u>\$ 5,324,097</u>	<u>\$ 37,700,277</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 18,960,174	\$ 2,003,443	\$ 20,963,617
Support Services	10,959,355	641,261	11,600,616
Operation of Non-Instructional Services	695,163	2,662,107	3,357,270
Capital Outlay	178,198	0	178,198
Debt Service:			
Other Debt Service	424,780	0	424,780
Capital Projects	0	202,192	202,192
Total Expenditures	<u>\$ 31,217,670</u>	<u>\$ 5,509,003</u>	<u>\$ 36,726,673</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,158,510</u>	<u>\$ (184,906)</u>	<u>\$ 973,604</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 65,982	\$ 0	\$ 65,982
Transfers In	351,117	0	351,117
Transfers Out	0	(351,117)	(351,117)
Total Other Financing Sources (Uses)	<u>\$ 417,099</u>	<u>\$ (351,117)</u>	<u>\$ 65,982</u>
Net Change in Fund Balances	\$ 1,575,609	\$ (536,023)	\$ 1,039,586
Fund Balance, July 1, 2018	<u>4,476,615</u>	<u>2,105,041</u>	<u>6,581,656</u>
Fund Balance, June 30, 2019	<u>\$ 6,052,224</u>	<u>\$ 1,569,018</u>	<u>\$ 7,621,242</u>

Exhibit J-5

Weakley County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2019

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 1,039,586
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,119,691	
Less: current-year depreciation expense	<u>(2,365,847)</u>	(246,156)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(51,171)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2019	\$ 402,471	
Less: deferred delinquent property taxes and other deferred June 30, 2018	<u>(396,169)</u>	6,302
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in compensated absences payable	\$ (6,838)	
Change in net pension asset - agent legacy pension plan	237,445	
Change in net pension asset - agent hybrid pension plan	2,747	
Change in net pension asset - teacher retirement plan	63,243	
Change in net pension asset - teacher legacy pension plan	1,291,316	
Change in deferred outflows related to pensions	(93,951)	
Change in deferred inflows related to pensions	521,606	
Change in net OPEB liability	337,818	
Change in deferred outflows related to OPEB	110,459	
Change in deferred inflows related to OPEB	<u>(441,065)</u>	<u>2,022,780</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,771,341</u>

Exhibit J-6

Weakley County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Weakley County School Department
June 30, 2019

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 196,581	\$ 926,243	\$ 1,122,824	\$ 586,214	\$ 1,709,038
Accounts Receivable	0	3,787	3,787	0	3,787
Due from Other Governments	223,074	0	223,074	0	223,074
Total Assets	<u>\$ 419,655</u>	<u>\$ 930,030</u>	<u>\$ 1,349,685</u>	<u>\$ 586,214</u>	<u>\$ 1,935,899</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 49,632	\$ 0	\$ 49,632	\$ 0	\$ 49,632
Accrued Payroll	125,167	84,608	209,775	0	209,775
Payroll Deductions Payable	82,916	24,558	107,474	0	107,474
Total Liabilities	<u>\$ 257,715</u>	<u>\$ 109,166</u>	<u>\$ 366,881</u>	<u>\$ 0</u>	<u>\$ 366,881</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 11,940	\$ 0	\$ 11,940	\$ 0	\$ 11,940
Restricted for Operation of Non-instructional Services	0	820,864	820,864	0	820,864
Restricted for Capital Projects	0	0	0	586,214	586,214
Assigned:					
Assigned for Education	150,000	0	150,000	0	150,000
Total Fund Balances	<u>\$ 161,940</u>	<u>\$ 820,864</u>	<u>\$ 982,804</u>	<u>\$ 586,214</u>	<u>\$ 1,569,018</u>
Total Liabilities and Fund Balances	<u>\$ 419,655</u>	<u>\$ 930,030</u>	<u>\$ 1,349,685</u>	<u>\$ 586,214</u>	<u>\$ 1,935,899</u>

Exhibit J-7

Weakley County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2019

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Capital Projects	
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 587,669	\$ 587,669	\$ 0	\$ 587,669
Other Local Revenues	0	31,256	31,256	0	31,256
State of Tennessee	0	21,041	21,041	0	21,041
Federal Government	2,629,251	2,054,880	4,684,131	0	4,684,131
Total Revenues	\$ 2,629,251	\$ 2,694,846	\$ 5,324,097	\$ 0	\$ 5,324,097
<u>Expenditures</u>					
Current:					
Instruction	\$ 2,003,443	\$ 0	\$ 2,003,443	\$ 0	\$ 2,003,443
Support Services	641,261	0	641,261	0	641,261
Operation of Non-Instructional Services	359	2,661,748	2,662,107	0	2,662,107
Capital Projects	0	0	0	202,192	202,192
Total Expenditures	\$ 2,645,063	\$ 2,661,748	\$ 5,306,811	\$ 202,192	\$ 5,509,003
Excess (Deficiency) of Revenues Over Expenditures	\$ (15,812)	\$ 33,098	\$ 17,286	\$ (202,192)	\$ (184,906)
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (351,117)	\$ 0	\$ (351,117)	\$ 0	\$ (351,117)
Total Other Financing Sources (Uses)	\$ (351,117)	\$ 0	\$ (351,117)	\$ 0	\$ (351,117)

(Continued)

Exhibit J-7

Weakley County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Weakley County School Department (Cont.)

	<u>Special Revenue Funds</u>			<u>Capital</u>	
	<u>School</u>	<u>Central</u>		<u>Projects Fund</u>	<u>Total</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Total</u>	<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
Net Change in Fund Balances	\$ (366,929)	\$ 33,098	\$ (333,831)	\$ (202,192)	\$ (536,023)
Fund Balance, July 1, 2018	528,869	787,766	1,316,635	788,406	2,105,041
Fund Balance, June 30, 2019	\$ 161,940	\$ 820,864	\$ 982,804	\$ 586,214	\$ 1,569,018

Exhibit J-8

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Weakley County School Department
General Purpose School Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 8,170,739	\$ 0	\$ 0	\$ 8,170,739	\$ 7,779,740	\$ 7,779,740	\$ 390,999
Licenses and Permits	1,852	0	0	1,852	1,500	1,500	352
Charges for Current Services	274,840	0	0	274,840	241,298	241,298	33,542
Other Local Revenues	133,244	0	0	133,244	64,000	64,000	69,244
State of Tennessee	23,774,767	0	0	23,774,767	23,446,250	23,614,144	160,623
Federal Government	20,738	0	0	20,738	0	20,738	0
Total Revenues	\$ 32,376,180	\$ 0	\$ 0	\$ 32,376,180	\$ 31,532,788	\$ 31,721,420	\$ 654,760
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 15,562,257	\$ (3,775)	\$ 4,762	\$ 15,563,244	\$ 15,998,898	\$ 16,116,176	\$ 552,932
Special Education Program	1,913,474	0	0	1,913,474	1,958,486	1,975,737	62,263
Career and Technical Education Program	1,341,554	(123,258)	0	1,218,296	1,197,445	1,239,799	21,503
Student Body Education Program	142,889	0	0	142,889	146,858	149,435	6,546
<u>Support Services</u>							
Attendance	103,720	(1,090)	0	102,630	105,773	105,773	3,143
Health Services	437,722	0	0	437,722	393,607	439,208	1,486
Other Student Support	912,058	0	2,868	914,926	948,981	930,467	15,541
Regular Instruction Program	1,170,760	0	0	1,170,760	1,196,526	1,198,463	27,703
Alternative Instruction Program	196,305	0	0	196,305	183,260	198,883	2,578
Special Education Program	422,206	(134)	481	422,553	433,448	440,331	17,778
Career and Technical Education Program	90,903	0	692	91,595	94,210	106,627	15,032
Technology	465,472	0	0	465,472	457,326	503,443	37,971
Other Programs	133,944	0	0	133,944	0	133,944	0
Board of Education	597,911	0	0	597,911	658,773	603,754	5,843
Director of Schools	328,292	0	687	328,979	350,690	350,690	21,711
Office of the Principal	1,512,583	0	0	1,512,583	1,527,853	1,534,392	21,809
Fiscal Services	11,900	0	0	11,900	11,797	11,901	1
Operation of Plant	2,350,364	0	0	2,350,364	2,351,304	2,391,289	40,925

(Continued)

Exhibit J-8

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Weakley County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 695,662	\$ (11,162)	\$ 30,595	\$ 715,095	\$ 725,061	\$ 761,048	\$ 45,953
Transportation	1,529,553	(321,476)	373,334	1,581,411	1,478,140	1,659,874	78,463
<u>Operation of Non-Instructional Services</u>							
Community Services	104,880	0	0	104,880	113,640	118,447	13,567
Early Childhood Education	590,283	(2,165)	27	588,145	586,822	590,672	2,527
<u>Capital Outlay</u>							
Regular Capital Outlay	178,198	(123,091)	82,277	137,384	157,611	185,611	48,227
<u>Other Debt Service</u>							
Education	424,780	0	0	424,780	424,780	424,780	0
Total Expenditures	\$ 31,217,670	\$ (586,151)	\$ 495,723	\$ 31,127,242	\$ 31,501,289	\$ 32,170,744	\$ 1,043,502
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,158,510	\$ 586,151	\$ (495,723)	\$ 1,248,938	\$ 31,499	\$ (449,324)	\$ 1,698,262
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 65,982	\$ 0	\$ 0	\$ 65,982	\$ 1	\$ 1	\$ 65,981
Transfers In	351,117	0	0	351,117	4,000	355,117	(4,000)
Transfers Out	0	0	0	0	(8,224)	(8,224)	8,224
Total Other Financing Sources	\$ 417,099	\$ 0	\$ 0	\$ 417,099	\$ (4,223)	\$ 346,894	\$ 70,205
Net Change in Fund Balance	\$ 1,575,609	\$ 586,151	\$ (495,723)	\$ 1,666,037	\$ 27,276	\$ (102,430)	\$ 1,768,467
Fund Balance, July 1, 2018	4,476,615	(586,151)	0	3,890,464	4,631,005	4,631,005	(740,541)
Fund Balance, June 30, 2019	\$ 6,052,224	\$ 0	\$ (495,723)	\$ 5,556,501	\$ 4,658,281	\$ 4,528,575	\$ 1,027,926

Exhibit J-9

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Weakley County School Department
School Federal Projects Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 2,629,251	\$ 0	\$ 2,629,251	\$ 2,461,697	\$ 3,168,228	\$ (538,977)
Total Revenues	<u>\$ 2,629,251</u>	<u>\$ 0</u>	<u>\$ 2,629,251</u>	<u>\$ 2,461,697</u>	<u>\$ 3,168,228</u>	<u>\$ (538,977)</u>
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,152,517	\$ 0	\$ 1,152,517	\$ 920,799	\$ 1,276,290	\$ 123,773
Special Education Program	793,520	0	793,520	821,093	1,068,088	274,568
Career and Technical Education Program	57,406	(10,602)	46,804	53,121	55,121	8,317
<u>Support Services</u>						
Health Services	31,232	0	31,232	39,897	40,897	9,665
Other Student Support	47,372	0	47,372	55,274	57,916	10,544
Regular Instruction Program	350,634	0	350,634	353,910	417,053	66,419
Special Education Program	46,897	0	46,897	64,797	68,814	21,917
Board of Education	316	0	316	0	316	0
Transportation	164,810	0	164,810	152,806	183,265	18,455
<u>Operation of Non-Instructional Services</u>						
Food Service	359	0	359	0	468	109
Total Expenditures	<u>\$ 2,645,063</u>	<u>\$ (10,602)</u>	<u>\$ 2,634,461</u>	<u>\$ 2,461,697</u>	<u>\$ 3,168,228</u>	<u>\$ 533,767</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (15,812)</u>	<u>\$ 10,602</u>	<u>\$ (5,210)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,210)</u>
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (351,117)	\$ 0	\$ (351,117)	\$ 0	\$ (351,117)	\$ 0
Total Other Financing Sources	<u>\$ (351,117)</u>	<u>\$ 0</u>	<u>\$ (351,117)</u>	<u>\$ 0</u>	<u>\$ (351,117)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (366,929)	\$ 10,602	\$ (356,327)	\$ 0	\$ (351,117)	\$ (5,210)
Fund Balance, July 1, 2018	<u>528,869</u>	<u>(10,602)</u>	<u>518,267</u>	<u>528,869</u>	<u>528,869</u>	<u>(10,602)</u>
Fund Balance, June 30, 2019	<u>\$ 161,940</u>	<u>\$ 0</u>	<u>\$ 161,940</u>	<u>\$ 528,869</u>	<u>\$ 177,752</u>	<u>\$ (15,812)</u>

Exhibit J-10

Weakley County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Weakley County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 587,669	\$ 0	\$ 587,669	\$ 563,500	\$ 587,216	\$ 453
Other Local Revenues	31,256	0	31,256	5,000	26,676	4,580
State of Tennessee	21,041	0	21,041	21,000	21,041	0
Federal Government	2,054,880	0	2,054,880	1,986,000	2,054,876	4
Total Revenues	<u>\$ 2,694,846</u>	<u>\$ 0</u>	<u>\$ 2,694,846</u>	<u>\$ 2,575,500</u>	<u>\$ 2,689,809</u>	<u>\$ 5,037</u>
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 2,661,748	\$ 797	\$ 2,662,545	\$ 2,571,267	\$ 2,685,576	\$ 23,031
Total Expenditures	<u>\$ 2,661,748</u>	<u>\$ 797</u>	<u>\$ 2,662,545</u>	<u>\$ 2,571,267</u>	<u>\$ 2,685,576</u>	<u>\$ 23,031</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 33,098</u>	<u>\$ (797)</u>	<u>\$ 32,301</u>	<u>\$ 4,233</u>	<u>\$ 4,233</u>	<u>\$ 28,068</u>
Net Change in Fund Balance	\$ 33,098	\$ (797)	\$ 32,301	\$ 4,233	\$ 4,233	\$ 28,068
Fund Balance, July 1, 2018	<u>787,766</u>	<u>0</u>	<u>787,766</u>	<u>654,978</u>	<u>654,978</u>	<u>132,788</u>
Fund Balance, June 30, 2019	<u>\$ 820,864</u>	<u>\$ (797)</u>	<u>\$ 820,067</u>	<u>\$ 659,211</u>	<u>\$ 659,211</u>	<u>\$ 160,856</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Weakley County, Tennessee
Schedule of Changes in Long-term Note and Other Loans
For the Year Ended June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate		Date of Issue	Last Maturity Date	Outstanding 7-1-18	Paid and/or Matured During Period	Outstanding 6-30-19
<u>NOTE PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Airport Improvement	\$ 143,786	0 %		10-16-12	10-31-22	\$ 69,194	\$ 15,984	\$ 53,210
Total Note Payable						<u>\$ 69,194</u>	<u>\$ 15,984</u>	<u>\$ 53,210</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Construction and Renovation	10,339,705	Variable		2-25-03	5-25-19	\$ 548,705	\$ 548,705	\$ 0
Energy Efficient Schools Initiative	1,812,940	0		2-17-12	4-1-22	679,840	181,296	498,544
School Construction and Renovation	12,800,000	Variable		7-23-15	5-25-25	9,158,000	1,257,000	7,901,000
Energy Efficient Schools Initiative 2017	1,621,827	1		9-14-17	9-30-29	1,526,103	128,808	1,397,295
Adult Learning Center	1,000,000	0		10-30-17	10-30-27	933,333	100,000	833,333
Total Other Loans Payable						<u>\$ 12,845,981</u>	<u>\$ 2,215,809</u>	<u>\$ 10,630,172</u>

Exhibit K-2

Weakley County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Note	
	Principal	Total
2020	\$ 15,984	\$ 15,984
2021	15,984	15,984
2022	15,984	15,984
2023	5,258	5,258
Total	<u>\$ 53,210</u>	<u>\$ 53,210</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2020	\$ 1,684,292	\$ 227,605	\$ 11,977	\$ 1,923,874
2021	1,703,600	191,799	10,067	1,905,466
2022	1,676,576	155,493	8,131	1,840,200
2023	1,558,956	118,714	6,169	1,683,839
2024	1,578,300	81,462	4,181	1,663,943
2025	1,597,656	43,711	2,167	1,643,534
2026	238,036	5,448	0	243,484
2027	239,416	4,068	0	243,484
2028	174,154	2,664	0	176,818
2029	142,236	1,248	0	143,484
2030	36,950	83	0	37,033
Total	<u>\$ 10,630,172</u>	<u>\$ 832,295</u>	<u>\$ 42,692</u>	<u>\$ 11,505,159</u>

Exhibit K-3

Weakley County, Tennessee
Schedule of Notes Receivable
June 30, 2019

Description	Debtor	Original Amount of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-19
<u>General Debt Service Fund</u>						
Airport Improvements	Everett-Stewart Regional Airport	\$ 143,786	10-16-12	10-31-22	0%	<u>\$ 53,210</u>
Total Notes Receivable						<u><u>\$ 53,210</u></u>

Exhibit K-4

Weakley County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Weakley County School Department
For the Year Ended June 30, 2019

From Fund	To Fund	Purpose	Amount
<u>PRIMARY GOVERNMENT</u>			
Public Utility	General	Payments in-lieu-of taxes	\$ 232,255
"	Highway/Public Works	"	67,010
"	General Debt Service	"	164,623
General Debt Service	Highway Capital Projects	Capital outlay	<u>450,000</u>
Total Transfers Primary Government			<u>\$ 913,888</u>
<u>DISCRETELY PRESENTED WEAKLEY COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Cash flow funds	<u>\$ 351,117</u>
Total Transfers Discretely Presented Weakley County School Department			<u>\$ 351,117</u>

Exhibit K-5

Weakley County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Weakley County School Department
For the Year Ended June 30, 2019

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 100,094	\$ 400,000	Local Government Property and Casualty Fund
Highway Supervisor	Section 8-24-102, <i>TCA</i>	86,661	400,000	"
Director of Schools	State Board of Education and Weakley County Board of Education	136,707 (1)	100,000	RLI Insurance Company
Trustee	Section 8-24-102, <i>TCA</i>	78,782	1,334,750	Auto Owners Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	78,782	50,000	RLI Insurance Company
Director of Finance	Weakley County Commission	78,782	400,000	Local Government Property and Casualty Fund
County Clerk	Section 8-24-102, <i>TCA</i>	78,782	400,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	78,782	400,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	78,782	100,000	RLI Insurance Company
Register of Deeds				
Donna Winstead (7-1-18 through 8-31-18)	Section 8-24-102, <i>TCA</i>	13,130	100,000	RLI Insurance Company
April Jones (9-1-18 through 6-30-19)	Section 8-24-102, <i>TCA</i>	65,652	400,000	Local Government Property and Casualty Fund
Sheriff	Section 8-24-102, <i>TCA</i>	95,328 (2)	400,000	"
Employee Blanket Bonds:				
County Mayor and Highway Supervisor:				
All Employees			400,000	Local Government Property and Casualty Fund
Director of Schools:				
All Employees			1,000,000	Markel Insurance Company

(1) Includes a chief executive officer training supplement of \$1,000. Does not include a travel allowance of \$450 per month.

(2) Includes compensation of \$8,666 for supervision of the county workhouse.

Exhibit K-6

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2019

	Special Revenue Funds				Debt Service Fund	
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,569,210	\$ 0	\$ 0	\$ 1,029,797	\$ 2,529,882	\$ 7,128,889
Trustee's Collections - Prior Year	62,844	219	0	18,309	45,093	126,465
Trustee's Collections - Bankruptcy	375	2	0	100	269	746
Circuit Clerk/Clerk and Master Collections - Prior Years	52,095	187	0	15,179	37,385	104,846
Interest and Penalty	14,231	32	0	3,989	10,173	28,425
Payments in-Lieu-of Taxes - T.V.A.	919	0	0	0	0	919
Payments in-Lieu-of Taxes - Other	529,861	0	0	0	0	529,861
<u>County Local Option Taxes</u>						
Local Option Sales Tax	334,035	0	0	0	0	334,035
Hotel/Motel Tax	182,249	0	0	0	0	182,249
Wheel Tax	0	0	0	919,269	0	919,269
Litigation Tax - General	142,133	0	0	0	40,821	182,954
Litigation Tax - Special Purpose	5,620	0	0	0	0	5,620
Business Tax	283,894	0	0	0	0	283,894
Mineral Severance Tax	0	0	0	126,873	0	126,873
<u>Statutory Local Taxes</u>						
Bank Excise Tax	12,474	0	0	3,599	8,841	24,914
Wholesale Beer Tax	30,718	0	0	0	0	30,718
Total Local Taxes	\$ 5,220,658	\$ 440	\$ 0	\$ 2,117,115	\$ 2,672,464	\$ 10,010,677
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 34,941	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,941
<u>Permits</u>						
Beer Permits	1,302	0	0	0	0	1,302

(Continued)

Exhibit K-6

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	General	Special Revenue Funds			Debt Service Fund	Total
		Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Building Permits	\$ 0	\$ 0	\$ 0	\$ 2,880	\$ 0	\$ 2,880
Other Permits	0	0	0	330	0	330
Total Licenses and Permits	\$ 36,243	\$ 0	\$ 0	\$ 3,210	\$ 0	\$ 39,453
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 6,637	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,637
Officers Costs	6,764	0	0	0	0	6,764
Drug Control Fines	0	0	8,316	0	0	8,316
Drug Court Fees	1,605	0	0	0	0	1,605
Jail Fees	230	0	0	0	0	230
DUI Treatment Fines	152	0	0	0	0	152
Data Entry Fee - Circuit Court	930	0	0	0	0	930
Courtroom Security Fee	6	0	0	0	0	6
<u>General Sessions Court</u>						
Fines	15,702	0	0	0	0	15,702
Officers Costs	51,637	0	0	0	0	51,637
Drug Control Fines	0	0	14,600	0	0	14,600
Drug Court Fees	11,059	0	0	0	0	11,059
Jail Fees	34,101	0	0	0	0	34,101
DUI Treatment Fines	8,599	0	0	0	0	8,599
Data Entry Fee - General Sessions Court	16,249	0	0	0	0	16,249
Courtroom Security Fee	97	0	0	0	0	97
<u>Juvenile Court</u>						
Fines	125	0	0	0	0	125

(Continued)

Exhibit K-6

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service	
		Solid	Drug	Highway /	Fund	
	General	Waste /	Control	Public	General	Total
		Sanitation		Works	Debt	
					Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court (Cont.)</u>						
Officers Costs	\$ 391	\$ 0	\$ 0	\$ 0	\$ 0	391
Data Entry Fee - Juvenile Court	803	0	0	0	0	803
Courtroom Security Fee	13	0	0	0	0	13
<u>Chancery Court</u>						
Officers Costs	5,732	0	0	0	0	5,732
Data Entry Fee - Chancery Court	4,076	0	0	0	0	4,076
Courtroom Security Fee	27	0	0	0	0	27
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	150	0	0	0	0	150
Total Fines, Forfeitures, and Penalties	\$ 165,085	\$ 0	\$ 22,916	\$ 0	\$ 0	188,001
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 7,586	\$ 0	\$ 0	\$ 0	7,586
Surcharge - Waste Tire Disposal	0	19,397	0	0	0	19,397
Other General Service Charges	285	0	0	0	0	285
Service Charges	40,916	0	0	0	0	40,916
<u>Fees</u>						
Library Fees	8,918	0	0	0	0	8,918
Archives and Records Management Fee	19,218	0	0	0	0	19,218
Greenbelt Late Application Fee	700	0	0	0	0	700
Telephone Commissions	24,496	0	0	0	0	24,496
Vending Machine Collections	489	0	0	0	0	489
Data Processing Fee - Register	9,574	0	0	0	0	9,574
Data Processing Fee - Sheriff	3,606	0	0	0	0	3,606

(Continued)

Exhibit K-6

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service	
		Solid	Drug	Highway /	Fund	
	General	Waste /	Control	Public	General	Total
		Sanitation		Works	Debt	
					Service	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Sexual Offender Registration Fee - Sheriff	\$ 2,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,300
Data Processing Fee - County Clerk	5,616	0	0	0	0	5,616
Vehicle Insurance Coverage and Reinstatement Fees	580	0	0	0	0	580
<u>Education Charges</u>						
Other Charges for Services	23,038	0	0	0	0	23,038
Total Charges for Current Services	<u>\$ 139,736</u>	<u>\$ 26,983</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 166,719</u>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 379,634	\$ 379,634
Lease/Rentals	6,500	0	0	0	0	6,500
E-Rate Funding	2,016	0	0	0	0	2,016
Miscellaneous Refunds	1,695	0	385	6,988	0	9,068
<u>Nonrecurring Items</u>						
Sale of Property	405	0	0	0	0	405
Contributions and Gifts	35,080	0	500	0	0	35,580
Total Other Local Revenues	<u>\$ 45,696</u>	<u>\$ 0</u>	<u>\$ 885</u>	<u>\$ 6,988</u>	<u>\$ 379,634</u>	<u>\$ 433,203</u>
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 351,062	\$ 0	\$ 0	\$ 0	\$ 0	\$ 351,062
Circuit Court Clerk	55,034	0	0	0	0	55,034
General Sessions Court Clerk	212,681	0	0	0	0	212,681
Clerk and Master	126,271	0	0	0	0	126,271
Register	118,934	0	0	0	0	118,934

(Continued)

Exhibit K-6

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	Total
<hr/>						
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary (Cont.)</u>						
Sheriff	\$ 13,661	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,661
Trustee	436,720	0	0	0	0	436,720
Total Fees Received From County Officials	<u>\$ 1,314,363</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,314,363</u>
<hr/>						
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 30,707	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,707
Aging Programs	91,340	0	0	0	0	91,340
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	13,200	0	0	0	0	13,200
<u>Health and Welfare Grants</u>						
Health Department Programs	31,302	0	0	0	0	31,302
<u>Public Works Grants</u>						
Bridge Program	0	0	0	29,382	0	29,382
State Aid Program	0	0	0	203,157	0	203,157
Litter Program	0	0	0	50,473	0	50,473
<u>Other State Revenues</u>						
Income Tax	60,349	0	0	0	0	60,349
Beer Tax	17,959	0	0	0	0	17,959
Vehicle Certificate of Title Fees	2,678	0	0	0	0	2,678
Alcoholic Beverage Tax	90,458	0	0	0	0	90,458
State Revenue Sharing - T.V.A.	864,107	0	0	0	0	864,107
State Revenue Sharing - Telecommunications	21,543	0	0	0	0	21,543
Emergency Hospital - Prisoners	4,120	0	0	0	0	4,120
Prisoner Transportation	166	0	0	0	0	166

(Continued)

Exhibit K-6

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds				Debt Service Fund	
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	Total
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Contracted Prisoner Boarding	\$ 627,705	\$ 0	\$ 0	\$ 0	\$ 0	\$ 627,705
Gasoline and Motor Fuel Tax	0	0	0	2,621,532	0	2,621,532
Petroleum Special Tax	0	0	0	25,269	0	25,269
Registrar's Salary Supplement	15,164	0	0	0	0	15,164
Other State Grants	90,000	0	0	0	0	90,000
Other State Revenues	13,434	0	0	0	0	13,434
Total State of Tennessee	\$ 1,974,232	\$ 0	\$ 0	\$ 2,929,813	\$ 0	\$ 4,904,045
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 22,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,500
Homeland Security Grants	6,046	0	0	0	0	6,046
Other Federal through State	720	0	0	0	0	720
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	5,400	0	0	0	0	5,400
Total Federal Government	\$ 34,666	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,666
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 3,443	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,443
Contributions	20,000	0	0	0	424,790	444,790
Contracted Services	20,000	0	0	0	0	20,000
<u>Other</u>						
Other	40,893	0	0	0	0	40,893
Total Other Governments and Citizens Groups	\$ 84,336	\$ 0	\$ 0	\$ 0	\$ 424,790	\$ 509,126
Total	\$ 9,015,015	\$ 27,423	\$ 23,801	\$ 5,057,126	\$ 3,476,888	\$ 17,600,253

Exhibit K-7

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2019

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,476,534	\$ 0	\$ 0	\$ 3,476,534
Trustee's Collections - Prior Year	79,543	0	0	79,543
Trustee's Collections - Bankruptcy	370	0	0	370
Circuit Clerk/Clerk and Master Collections - Prior Years	51,315	0	0	51,315
Interest and Penalty	13,982	0	0	13,982
Payments in-Lieu-of Taxes - Local Utilities	226,935	0	0	226,935
<u>County Local Option Taxes</u>				
Local Option Sales Tax	4,152,546	0	0	4,152,546
Wheel Tax	131,324	0	0	131,324
Mixed Drink Tax	26,002	0	0	26,002
<u>Statutory Local Taxes</u>				
Bank Excise Tax	12,188	0	0	12,188
Total Local Taxes	<u>\$ 8,170,739</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,170,739</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,852	\$ 0	\$ 0	\$ 1,852
Total Licenses and Permits	<u>\$ 1,852</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,852</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 131,632	\$ 0	\$ 0	\$ 131,632
Lunch Payments - Children	0	0	501,020	501,020
Lunch Payments - Adults	0	0	79,969	79,969

(Continued)

Exhibit K-7

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Weakley County School Department (Cont.)

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Charges for Current Services (Cont.)</u>				
<u>Education Charges (Cont.)</u>				
Income from Breakfast	\$ 0	\$ 0	\$ 6,255	\$ 6,255
Contract for Instructional Services with Other LEA's	3,300	0	0	3,300
Receipts from Individual Schools	138,433	0	425	138,858
Other Charges for Services	1,475	0	0	1,475
Total Charges for Current Services	<u>\$ 274,840</u>	<u>\$ 0</u>	<u>\$ 587,669</u>	<u>\$ 862,509</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 2,708	\$ 0	\$ 16,861	\$ 19,569
Sale of Materials and Supplies	39,613	0	0	39,613
Miscellaneous Refunds	88,803	0	14,395	103,198
<u>Nonrecurring Items</u>				
Damages Recovered from Individuals	361	0	0	361
Contributions and Gifts	1,759	0	0	1,759
Total Other Local Revenues	<u>\$ 133,244</u>	<u>\$ 0</u>	<u>\$ 31,256</u>	<u>\$ 164,500</u>
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 133,944	\$ 0	\$ 0	\$ 133,944
<u>State Education Funds</u>				
Basic Education Program	22,405,000	0	0	22,405,000
Early Childhood Education	590,591	0	0	590,591
School Food Service	0	0	21,041	21,041
Driver Education	1,151	0	0	1,151

(Continued)

Exhibit K-7

Weakley County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Weakley County School Department (Cont.)

	General Purpose School	Special Revenue Funds		
		School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee (Cont.)</u>				
<u>State Education Funds (Cont.)</u>				
Other State Education Funds	\$ 336,490	\$ 0	\$ 0	\$ 336,490
Career Ladder Program	109,501	0	0	109,501
<u>Other State Revenues</u>				
State Revenue Sharing - Telecommunications	47,749	0	0	47,749
Other State Grants	150,341	0	0	150,341
Total State of Tennessee	<u>\$ 23,774,767</u>	<u>\$ 0</u>	<u>\$ 21,041</u>	<u>\$ 23,795,808</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,181,799	\$ 1,181,799
USDA - Commodities	0	0	200,142	200,142
Breakfast	0	0	643,217	643,217
USDA - Other	0	0	10,934	10,934
USDA Food Service Equipment Grant	0	0	18,788	18,788
Vocational Education - Basic Grants to States	0	77,155	0	77,155
Title I Grants to Local Education Agencies	0	1,160,144	0	1,160,144
Special Education - Grants to States	20,738	1,010,719	0	1,031,457
Special Education Preschool Grants	0	23,955	0	23,955
English Language Acquisition Grants	0	1,919	0	1,919
Rural Education	0	67,396	0	67,396
Eisenhower Professional Development State Grants	0	152,250	0	152,250
Other Federal through State	0	135,713	0	135,713
Total Federal Government	<u>\$ 20,738</u>	<u>\$ 2,629,251</u>	<u>\$ 2,054,880</u>	<u>\$ 4,704,869</u>
Total	<u>\$ 32,376,180</u>	<u>\$ 2,629,251</u>	<u>\$ 2,694,846</u>	<u>\$ 37,700,277</u>

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2019

General FundGeneral GovernmentCounty Commission

Secretary to Board	\$	8,000	
Board and Committee Members Fees		23,200	
Other Per Diem and Fees		25,077	
Social Security		2,792	
Pensions		735	
Employer Medicare		753	
Audit Services		13,308	
Legal Services		600	
Postal Charges		100	
Travel		24,973	
Contracts for Development Costs		1,000	
Other Contracted Services		1,471	
Office Supplies		256	
In Service/Staff Development		780	
Other Charges		389	
Total County Commission			\$ 103,434

County Mayor/Executive

County Official/Administrative Officer	\$	100,094	
Secretary(ies)		33,040	
Temporary Personnel		705	
Social Security		7,906	
Pensions		9,048	
Medical Insurance		11,558	
Employer Medicare		1,849	
Other Fringe Benefits		1,500	
Communication		2,719	
Dues and Memberships		1,840	
Legal Notices, Recording, and Court Costs		297	
Postal Charges		100	
Printing, Stationery, and Forms		174	
Internet Connectivity		1,185	
Rentals		2,214	
Travel		3,473	
Gasoline		42	
Office Supplies		2,504	
In Service/Staff Development		1,885	
Other Charges		2,008	
Total County Mayor/Executive			184,141

County Attorney

Legal Services	\$	1,828	
Total County Attorney			1,828

Election Commission

County Official/Administrative Officer	\$	70,904	
Deputy(ies)		30,054	

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Election Commission (Cont.)

Part-time Personnel	\$	13,372	
Election Commission		2,250	
Election Workers		36,505	
Social Security		8,055	
Pensions		7,022	
Medical Insurance		19,317	
Employer Medicare		1,932	
Other Fringe Benefits		1,000	
Communication		3,222	
Data Processing Services		3,143	
Legal Notices, Recording, and Court Costs		4,578	
Maintenance and Repair Services - Buildings		975	
Maintenance and Repair Services - Equipment		8,014	
Maintenance and Repair Services - Office Equipment		125	
Postal Charges		2,088	
Printing, Stationery, and Forms		3,578	
Internet Connectivity		1,185	
Rentals		1,861	
Travel		5,150	
Other Contracted Services		6,431	
Office Supplies		1,362	
Building and Contents Insurance		1,365	
Liability Insurance		3,406	
In Service/Staff Development		2,300	
Data Processing Equipment		697	
Office Equipment		394	
Total Election Commission			\$ 240,285

Register of Deeds

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		60,541	
Temporary Personnel		1,110	
Educational Incentive - Other County Employees		600	
Social Security		8,128	
Pensions		12,330	
Medical Insurance		19,313	
Employer Medicare		1,901	
Communication		1,667	
Dues and Memberships		820	
Legal Notices, Recording, and Court Costs		8,507	
Postal Charges		100	
Printing, Stationery, and Forms		72	
Internet Connectivity		1,185	
Rentals		1,372	
Travel		1,874	
Data Processing Supplies		488	
Office Supplies		570	
In Service/Staff Development		780	
Total Register of Deeds			200,140

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)County Buildings

Custodial Personnel	\$	39,620	
Social Security		2,245	
Pensions		3,061	
Medical Insurance		12,586	
Employer Medicare		525	
Communication		846	
Maintenance and Repair Services - Buildings		17,912	
Maintenance and Repair Services - Equipment		5,958	
Pest Control		1,125	
Other Contracted Services		21,052	
Custodial Supplies		5,500	
Electricity		49,819	
Natural Gas		12,840	
Water and Sewer		6,218	
Other Supplies and Materials		531	
Building and Contents Insurance		15,963	
Other Charges		2,458	
Other Capital Outlay		66,361	
Total County Buildings			\$ 264,620

Preservation of Records

Communication	\$	1,185	
Pest Control		13	
Rentals		1,008	
Office Supplies		2,421	
Utilities		1,384	
Other Supplies and Materials		123	
Liability Insurance		1,119	
Total Preservation of Records			7,253

FinanceAccounting and Budgeting

Supervisor/Director	\$	78,782	
Deputy(ies)		45,000	
Accountants/Bookkeepers		148,355	
Social Security		15,547	
Pensions		18,445	
Medical Insurance		36,442	
Employer Medicare		3,636	
Communication		2,876	
Data Processing Services		16,704	
Dues and Memberships		708	
Legal Notices, Recording, and Court Costs		107	
Maintenance and Repair Services - Office Equipment		139	
Pest Control		244	
Printing, Stationery, and Forms		1,337	
Rentals		6,925	

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)Accounting and Budgeting (Cont.)

Travel	\$	4,176	
Other Contracted Services		3,408	
Electricity		2,954	
Natural Gas		579	
Office Supplies		2,000	
Water and Sewer		464	
Other Supplies and Materials		1,385	
In Service/Staff Development		3,465	
Data Processing Equipment		810	
Total Accounting and Budgeting			\$ 394,488

Property Assessor's Office

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		102,414	
Part-time Personnel		14,036	
Educational Incentive - Other County Employees		4,800	
Social Security		11,696	
Pensions		17,501	
Medical Insurance		14,755	
Employer Medicare		2,735	
Communication		1,763	
Dues and Memberships		1,700	
Legal Services		708	
Legal Notices, Recording, and Court Costs		122	
Maintenance and Repair Services - Vehicles		228	
Printing, Stationery, and Forms		67	
Internet Connectivity		1,185	
Rentals		2,530	
Travel		1,219	
Gasoline		1,122	
Office Supplies		511	
Vehicle and Equipment Insurance		620	
Total Property Assessor's Office			258,494

Reappraisal Program

Data Processing Services	\$	4,724	
Maintenance Agreements		8,415	
Postal Charges		892	
Printing, Stationery, and Forms		60	
Travel		898	
Other Contracted Services		56,537	
Office Supplies		355	
In Service/Staff Development		2,181	
Total Reappraisal Program			74,062

County Trustee's Office

County Official/Administrative Officer	\$	78,782	
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(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)County Trustee's Office (Cont.)

Deputy(ies)	\$	33,315	
Part-time Personnel		26,379	
Educational Incentive - Other County Employees		300	
Social Security		7,574	
Pensions		10,509	
Medical Insurance		17,321	
Employer Medicare		1,818	
Communication		1,253	
Data Processing Services		14,876	
Dues and Memberships		985	
Legal Notices, Recording, and Court Costs		615	
Maintenance Agreements		10,174	
Postal Charges		7,998	
Internet Connectivity		1,185	
Rentals		400	
Travel		1,933	
Office Supplies		2,385	
Premiums on Corporate Surety Bonds		7,095	
In Service/Staff Development		780	
Data Processing Equipment		4,000	
Total County Trustee's Office			\$ 229,677

County Clerk's Office

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		168,779	
Clerical Personnel		1,400	
Educational Incentive - Other County Employees		900	
Social Security		14,468	
Pensions		21,738	
Medical Insurance		30,249	
Employer Medicare		3,384	
Communication		2,585	
Dues and Memberships		810	
Legal Notices, Recording, and Court Costs		362	
Maintenance Agreements		17,978	
Postal Charges		10,002	
Printing, Stationery, and Forms		1,747	
Internet Connectivity		1,185	
Rentals		1,185	
Travel		2,755	
Office Supplies		5,367	
In Service/Staff Development		400	
Total County Clerk's Office			364,076

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	78,782	
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(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Circuit Court (Cont.)

Deputy(ies)	\$	82,687	
Jury and Witness Expense		3,192	
Social Security		8,981	
Pensions		14,297	
Medical Insurance		26,082	
Employer Medicare		2,100	
Communication		1,825	
Data Processing Services		9,554	
Dues and Memberships		855	
Legal Notices, Recording, and Court Costs		197	
Printing, Stationery, and Forms		1,500	
Internet Connectivity		840	
Rentals		6,359	
Travel		2,193	
Office Supplies		2,000	
Other Supplies and Materials		5,787	
Total Circuit Court			\$ 247,231

General Sessions Court

Judge(s)	\$	124,627	
Deputy(ies)		57,955	
Social Security		11,155	
Pensions		16,153	
Medical Insurance		6,293	
Employer Medicare		2,609	
Communication		3,007	
Data Processing Services		25,309	
Dues and Memberships		250	
Postal Charges		3,184	
Printing, Stationery, and Forms		515	
Internet Connectivity		840	
Travel		1,794	
Other Contracted Services		450	
Office Supplies		2,065	
Data Processing Equipment		1,553	
Total General Sessions Court			257,759

Chancery Court

County Official/Administrative Officer	\$	78,782	
Deputy(ies)		88,463	
Educational Incentive - Other County Employees		600	
Social Security		9,711	
Pensions		13,007	
Medical Insurance		29,698	
Employer Medicare		2,271	
Communication		1,972	
Dues and Memberships		1,642	

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Chancery Court (Cont.)

Legal Notices, Recording, and Court Costs	\$	3,886	
Maintenance Agreements		9,022	
Maintenance and Repair Services - Office Equipment		423	
Postal Charges		159	
Printing, Stationery, and Forms		1,564	
Internet Connectivity		840	
Rentals		2,123	
Travel		3,284	
Office Supplies		1,259	
Data Processing Equipment		8,022	
Office Equipment		3,377	
Total Chancery Court			\$ 260,105

Juvenile Court

Judge(s)	\$	37,850	
Youth Service Officer(s)		51,240	
Social Workers		38,745	
Secretary(ies)		29,594	
Social Security		8,776	
Pensions		14,695	
Medical Insurance		43,148	
Employer Medicare		2,052	
Communication		1,685	
Contracts with Other Public Agencies		7,024	
Dues and Memberships		455	
Maintenance and Repair Services - Office Equipment		387	
Maintenance and Repair Services - Vehicles		103	
Internet Connectivity		1,185	
Rentals		2,161	
Travel		2,226	
Other Contracted Services		497	
Gasoline		948	
Office Supplies		1,180	
Vehicle and Equipment Insurance		620	
Workers' Compensation Insurance		530	
Data Processing Equipment		499	
Total Juvenile Court			245,600

District Attorney General

Secretary(ies)	\$	30,026	
Social Security		1,627	
Pensions		1,784	
Medical Insurance		8,462	
Employer Medicare		381	
Total District Attorney General			42,280

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Administration of Justice (Cont.)Probation Services

Social Workers	\$	19,481	
Social Security		1,045	
Pensions		1,542	
Employer Medicare		244	
Total Probation Services			\$ 22,312

Public SafetySheriff's Department

County Official/Administrative Officer	\$	95,328	
Deputy(ies)		865,208	
Accountants/Bookkeepers		65,111	
Salary Supplements		13,200	
Maintenance Personnel		42,512	
Part-time Personnel		35,000	
Overtime Pay		8,172	
Social Security		63,997	
Pensions		88,086	
Medical Insurance		166,588	
Employer Medicare		14,967	
Other Fringe Benefits		667	
Accounting Services		2,016	
Communication		14,638	
Contracts with Other Public Agencies		62,750	
Dues and Memberships		2,415	
Evaluation and Testing		2,082	
Maintenance Agreements		16,468	
Maintenance and Repair Services - Equipment		2,877	
Maintenance and Repair Services - Vehicles		32,302	
Postal Charges		2,223	
Printing, Stationery, and Forms		1,210	
Rentals		10,592	
Travel		9,756	
Other Contracted Services		3,334	
Gasoline		54,585	
Law Enforcement Supplies		4,783	
Office Supplies		2,604	
Uniforms		14,833	
Other Supplies and Materials		13,129	
Vehicle and Equipment Insurance		18,610	
Workers' Compensation Insurance		778	
In Service/Staff Development		9,005	
Other Charges		2,375	
Data Processing Equipment		5,814	
Law Enforcement Equipment		12,917	
Motor Vehicles		96,746	
Total Sheriff's Department			1,857,678

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Special Patrols

School Resource Officer	\$	67,171	
Social Security		4,066	
Pensions		4,827	
Medical Insurance		2,118	
Employer Medicare		951	
Contributions		33,569	
Evaluation and Testing		450	
Maintenance and Repair Services - Vehicles		2,245	
Gasoline		1,089	
Uniforms		3,928	
In Service/Staff Development		3,300	
Data Processing Equipment		8,653	
Law Enforcement Equipment		16,325	
Total Special Patrols			\$ 148,692

Traffic Control

Dispatchers/Radio Operators	\$	340,087	
Overtime Pay		8,247	
Social Security		19,855	
Pensions		27,967	
Medical Insurance		60,519	
Employer Medicare		4,644	
Total Traffic Control			461,319

Jail

Supervisor/Director	\$	48,363	
Accountants/Bookkeepers		33,340	
Guards		594,624	
Overtime Pay		1,211	
Social Security		38,363	
Pensions		48,454	
Medical Insurance		99,493	
Employer Medicare		8,972	
Other Fringe Benefits		1,500	
Maintenance and Repair Services - Buildings		23,920	
Maintenance and Repair Services - Equipment		19,182	
Medical and Dental Services		154,452	
Pest Control		1,115	
Printing, Stationery, and Forms		32	
Rentals		1,057	
Custodial Supplies		22,643	
Electricity		72,880	
Food Preparation Supplies		229	
Food Supplies		129,019	
Natural Gas		30,985	
Office Supplies		1,970	
Water and Sewer		16,786	

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Jail (Cont.)

Other Supplies and Materials	\$ 14,877	
Building and Contents Insurance	19,296	
Other Capital Outlay	<u>50,986</u>	
Total Jail		\$ 1,433,749

Fire Prevention and Control

Contributions	<u>\$ 40,000</u>	
Total Fire Prevention and Control		40,000

Civil Defense

Assistant(s)	\$ 6,000	
Supervisor/Director	24,000	
Social Security	1,860	
Pensions	1,426	
Employer Medicare	435	
Communication	1,571	
Dues and Memberships	80	
Maintenance and Repair Services - Equipment	1,540	
Postal Charges	7	
Rentals	1,295	
Travel	636	
Other Contracted Services	4,880	
Diesel Fuel	2,058	
Gasoline	626	
Office Supplies	387	
Uniforms	142	
Other Supplies and Materials	637	
Vehicle and Equipment Insurance	917	
Workers' Compensation Insurance	4,093	
In Service/Staff Development	345	
Motor Vehicles	55,720	
Other Equipment	<u>38,278</u>	
Total Civil Defense		146,933

Rescue Squad

Other Contracted Services	<u>\$ 5,500</u>	
Total Rescue Squad		5,500

County Coroner/Medical Examiner

Other Contracted Services	<u>\$ 4,225</u>	
Total County Coroner/Medical Examiner		4,225

Public Health and WelfareLocal Health Center

Communication	\$ 2,827	
Contracts with Government Agencies	30,710	
Dues and Memberships	250	

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Health and Welfare (Cont.)Local Health Center (Cont.)

Janitorial Services	\$	11,650	
Maintenance and Repair Services - Buildings		4,549	
Maintenance and Repair Services - Equipment		318	
Pest Control		264	
Custodial Supplies		585	
Drugs and Medical Supplies		148	
Electricity		10,701	
Natural Gas		1,558	
Office Supplies		846	
Water and Sewer		2,920	
Other Supplies and Materials		1,428	
Building and Contents Insurance		1,859	
Total Local Health Center			\$ 70,613

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$	117,500	
Total Ambulance/Emergency Medical Services			117,500

Maternal and Child Health Services

Contracts with Other Public Agencies	\$	25,000	
Total Maternal and Child Health Services			25,000

General Welfare Assistance

Contracts with Other Public Agencies	\$	40,331	
Total General Welfare Assistance			40,331

Other Local Welfare Services

Other Salaries and Wages	\$	19,879	
Social Security		1,220	
Pensions		1,144	
Employer Medicare		285	
Travel		414	
Total Other Local Welfare Services			22,942

Social, Cultural, and Recreational ServicesAdult Activities

Supervisor/Director	\$	26,193	
Social Workers		17,340	
Other Salaries and Wages		38,318	
Social Security		4,627	
Pensions		3,479	
Medical Insurance		8,462	
Employer Medicare		1,082	
Communication		3,182	
Contributions		4,071	
Licenses		810	
Maintenance and Repair Services - Vehicles		268	

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Adult Activities (Cont.)

Postal Charges	\$	1,300	
Rentals		9,422	
Travel		13,082	
Other Contracted Services		2,331	
Custodial Supplies		947	
Food Supplies		13,280	
Gasoline		213	
Other Supplies and Materials		11,789	
Vehicle and Equipment Insurance		577	
Workers' Compensation Insurance		524	
Total Adult Activities			\$ 161,297

Senior Citizens Assistance

Supervisor/Director	\$	26,096	
Temporary Personnel		22,033	
Social Security		2,806	
Pensions		2,440	
Medical Insurance		6,293	
Employer Medicare		656	
Communication		739	
Maintenance and Repair Services - Buildings		1,800	
Maintenance and Repair Services - Vehicles		71	
Postal Charges		50	
Internet Connectivity		406	
Rentals		444	
Travel		2,529	
Other Contracted Services		600	
Food Supplies		4,504	
Office Supplies		276	
Utilities		659	
Other Supplies and Materials		2,846	
Total Senior Citizens Assistance			75,248

Libraries

Supervisor/Director	\$	37,050	
Clerical Personnel		54,592	
Temporary Personnel		8,803	
Social Security		5,609	
Pensions		8,569	
Medical Insurance		12,187	
Employer Medicare		1,334	
Communication		4,318	
Contributions		25,000	
Janitorial Services		8,100	
Licenses		1,178	
Maintenance and Repair Services - Buildings		5,496	
Maintenance and Repair Services - Equipment		1,075	

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Libraries (Cont.)

Pest Control	\$	295	
Travel		1,530	
Other Contracted Services		38,172	
Utilities		9,046	
Other Supplies and Materials		1,484	
Building and Contents Insurance		2,140	
Data Processing Equipment		2,227	
Total Libraries			\$ 228,205

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	52,910	
Other Fringe Benefits		14,573	
Communication		5,364	
Travel		1,800	
Data Processing Equipment		3,000	
Total Agricultural Extension Service			77,647

Soil Conservation

Secretary(ies)	\$	29,835	
Social Security		1,736	
Pensions		2,158	
Medical Insurance		6,293	
Employer Medicare		406	
Total Soil Conservation			40,428

Flood Control

Other Contracted Services	\$	23,728	
Other Construction		10,574	
Total Flood Control			34,302

Other OperationsOther Economic and Community Development

Contributions	\$	318,800	
Total Other Economic and Community Development			318,800

Veterans' Services

Assistant(s)	\$	20,404	
Supervisor/Director		28,413	
Social Security		2,941	
Pensions		2,831	
Medical Insurance		4,922	
Employer Medicare		688	
Communication		1,146	
Dues and Memberships		40	
Postal Charges		165	
Internet Connectivity		1,185	

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)Other Operations (Cont.)Veterans' Services (Cont.)

Travel	\$	185	
Office Supplies		<u>1,265</u>	
Total Veterans' Services			\$ 64,185

Other Charges

Dues and Memberships	\$	<u>4,775</u>	
Total Other Charges			4,775

Contributions to Other Agencies

Contributions	\$	<u>35,624</u>	
Total Contributions to Other Agencies			35,624

Employee Benefits

Unemployment Compensation	\$	6,188	
Other Fringe Benefits		<u>31,700</u>	
Total Employee Benefits			37,888

Miscellaneous

Other Contracted Services	\$	1,052	
Liability Insurance		79,021	
Trustee's Commission		106,631	
Workers' Compensation Insurance		86,740	
Other Charges		194	
Other Capital Outlay		<u>1,666</u>	
Total Miscellaneous			<u>275,304</u>

Total General Fund \$ 9,125,970

Solid Waste/Sanitation FundPublic Health and WelfareRecycling Center

Temporary Personnel	\$	6,365	
Social Security		395	
Pensions		184	
Employer Medicare		92	
Postal Charges		31	
Other Contracted Services		9,927	
Electricity		1,146	
Water and Sewer		341	
Other Supplies and Materials		132	
Trustee's Commission		<u>321</u>	
Total Recycling Center			<u>\$ 18,934</u>

Total Solid Waste/Sanitation Fund 18,934

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Drug Control FundPublic SafetyDrug Enforcement

Contributions	\$	1,000	
Confidential Drug Enforcement Payments		5,000	
Towing Services		1,700	
Other Supplies and Materials		183	
Trustee's Commission		222	
Other Charges		2,429	
Law Enforcement Equipment		1,630	
Motor Vehicles		41,526	
Total Drug Enforcement			\$ 53,690

Total Drug Control Fund \$ 53,690

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	86,661	
Secretary(ies)		32,214	
Custodial Personnel		4,003	
Social Security		7,114	
Pensions		11,127	
Medical Insurance		8,028	
Employer Medicare		1,664	
Other Fringe Benefits		1,600	
Dues and Memberships		3,737	
Legal Services		577	
Legal Notices, Recording, and Court Costs		275	
Medical and Dental Services		924	
Postal Charges		723	
Printing, Stationery, and Forms		160	
Rentals		1,656	
Travel		1,985	
Office Supplies		1,967	
Other Supplies and Materials		555	
Other Charges		1,837	
Total Administration			\$ 166,807

Highway and Bridge Maintenance

Foremen	\$	44,563	
Equipment Operators		531,357	
Truck Drivers		597,033	
Overtime Pay		1,138	
Social Security		67,416	
Pensions		87,897	
Medical Insurance		195,106	
Employer Medicare		15,767	
Other Fringe Benefits		10,025	
Other Contracted Services		2,000	

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Highway and Bridge Maintenance (Cont.)

Asphalt - Liquid	\$	1,161,784	
Crushed Stone		546,524	
General Construction Materials		5,441	
Pipe		139,643	
Road Signs		6,160	
Small Tools		768	
Total Highway and Bridge Maintenance			\$ 3,412,622

Operation and Maintenance of Equipment

Foremen	\$	40,075	
Mechanic(s)		107,555	
Social Security		8,386	
Pensions		10,136	
Medical Insurance		22,882	
Employer Medicare		1,961	
Other Fringe Benefits		2,475	
Laundry Service		10,360	
Maintenance and Repair Services - Equipment		26,994	
Towing Services		400	
Diesel Fuel		217,375	
Equipment and Machinery Parts		98,780	
Garage Supplies		2,982	
Gasoline		18,773	
Lubricants		35,275	
Small Tools		1,980	
Tires and Tubes		42,417	
Other Supplies and Materials		703	
Total Operation and Maintenance of Equipment			649,509

Litter and Trash Collection

Foremen	\$	24,823	
Secretary(ies)		7,708	
Social Security		1,574	
Pensions		2,183	
Employer Medicare		368	
Advertising		7,838	
Other Supplies and Materials		645	
Litter Enforcement Awards		6,646	
Total Litter and Trash Collection			51,785

Other Charges

Communication	\$	6,808	
Maintenance and Repair Services - Buildings		1,155	
Maintenance and Repair Services - Office Equipment		610	
Electricity		17,506	
Natural Gas		5,549	
Water and Sewer		3,625	

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Other Charges (Cont.)

Building and Contents Insurance	\$	2,740	
Liability Insurance		10,453	
Trustee's Commission		58,756	
Vehicle and Equipment Insurance		30,840	
Liability Claims		1,338	
Total Other Charges			\$ 139,380

Employee Benefits

Unemployment Compensation	\$	10,635	
Workers' Compensation Insurance		116,930	
Total Employee Benefits			127,565

Capital Outlay

Bridge Construction	\$	90,714	
Building Construction		17,897	
State Aid Projects		671,628	
Total Capital Outlay			780,239

Total Highway/Public Works Fund \$ 5,327,907

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Notes	\$	15,984	
Total General Government			\$ 15,984

Education

Principal on Other Loans	\$	2,215,809	
Total Education			2,215,809

Interest on DebtEducation

Interest on Other Loans	\$	258,264	
Total Education			258,264

Other Debt ServiceGeneral Government

Trustee's Commission	\$	57,884	
Total General Government			57,884

Education

Other Debt Service	\$	19,582	
Total Education			19,582

Total General Debt Service Fund 2,567,523

(Continued)

Exhibit K-8

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>General Administration Projects</u>			
Building Improvements	\$	15,744	
Total General Administration Projects			\$ 15,744
Total General Capital Projects Fund			\$ 15,744
<u>Highway Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Highway and Street Capital Projects</u>			
Highway Equipment	\$	96,125	
Total Highway and Street Capital Projects			\$ 96,125
Total Highway Capital Projects Fund			96,125
Total Governmental Funds - Primary Government			\$ 17,205,893

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department
For the Year Ended June 30, 2019

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 10,663,680	
Career Ladder Program	47,725	
Educational Assistants	439,432	
Certified Substitute Teachers	71,320	
Non-certified Substitute Teachers	75,996	
Social Security	640,810	
Pensions	1,039,865	
Medical Insurance	1,541,264	
Employer Medicare	150,776	
Other Fringe Benefits	161,652	
Rentals	59,627	
Instructional Supplies and Materials	173,163	
Textbooks - Bound	164,455	
Software	157,580	
Other Supplies and Materials	5,843	
In Service/Staff Development	382	
Regular Instruction Equipment	168,687	
Total Regular Instruction Program		\$ 15,562,257

Special Education Program

Teachers	\$ 1,119,236	
Career Ladder Program	2,000	
Homebound Teachers	19,968	
Educational Assistants	77,296	
Speech Pathologist	90,626	
Certified Substitute Teachers	14,607	
Non-certified Substitute Teachers	11,368	
Social Security	77,434	
Pensions	117,347	
Medical Insurance	165,476	
Employer Medicare	18,148	
Other Fringe Benefits	1,500	
Contracts with Private Agencies	115,620	
Instructional Supplies and Materials	28,810	
Other Supplies and Materials	16,065	
Furniture and Fixtures	393	
Special Education Equipment	37,580	
Total Special Education Program		1,913,474

Career and Technical Education Program

Teachers	\$ 833,975	
Career Ladder Program	5,000	
Other Salaries and Wages	28,591	
Certified Substitute Teachers	8,682	
Non-certified Substitute Teachers	7,672	
Social Security	50,982	

(Continued)

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Instruction (Cont.)Career and Technical Education Program (Cont.)

Pensions	\$	83,826	
Medical Insurance		100,573	
Employer Medicare		12,004	
Communication		1,800	
Laundry Service		696	
Maintenance and Repair Services - Equipment		1,298	
Rentals		1,096	
Other Contracted Services		272	
Animal Food and Supplies		40,574	
Drugs and Medical Supplies		1,249	
Equipment and Machinery Parts		1,017	
Instructional Supplies and Materials		29,183	
Office Supplies		192	
Other Supplies and Materials		2,834	
Vocational Instruction Equipment		128,088	
Other Capital Outlay		1,950	
Total Career and Technical Education Program			\$ 1,341,554

Student Body Education Program

Clerical Personnel	\$	7,332	
Other Salaries and Wages		101,570	
Certified Substitute Teachers		3,520	
Non-certified Substitute Teachers		11,926	
Social Security		7,204	
Pensions		9,332	
Employer Medicare		1,717	
Maintenance and Repair Services - Equipment		288	
Total Student Body Education Program			142,889

Support ServicesAttendance

Supervisor/Director	\$	77,796	
Career Ladder Program		2,972	
Social Security		4,588	
Pensions		8,448	
Medical Insurance		5,568	
Employer Medicare		1,073	
Other Supplies and Materials		3,275	
Total Attendance			103,720

Health Services

Teachers	\$	35,232	
Medical Personnel		255,093	
Secretary(ies)		7,659	
Educational Assistants		1,780	
Other Salaries and Wages		2,500	

(Continued)

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Health Services (Cont.)

Non-certified Substitute Teachers	\$	112	
Social Security		16,626	
Pensions		21,162	
Medical Insurance		44,792	
Employer Medicare		3,935	
Other Fringe Benefits		1,000	
Communication		839	
Dues and Memberships		275	
Postal Charges		517	
Rentals		1,823	
Travel		5,146	
Other Contracted Services		240	
Other Supplies and Materials		38,991	
Total Health Services			\$ 437,722

Other Student Support

Career Ladder Program	\$	2,998	
Guidance Personnel		573,097	
School Resource Officer		48,325	
Other Salaries and Wages		3,100	
Certified Substitute Teachers		600	
Non-certified Substitute Teachers		2,184	
Social Security		36,432	
Pensions		63,053	
Medical Insurance		67,728	
Employer Medicare		8,526	
Evaluation and Testing		64,442	
Travel		1,118	
Other Contracted Services		33,948	
Other Supplies and Materials		1,737	
Other Charges		1,184	
Other Equipment		3,586	
Total Other Student Support			912,058

Regular Instruction Program

Supervisor/Director	\$	236,888	
Career Ladder Program		7,000	
Librarians		457,421	
Social Workers		46,330	
Other Salaries and Wages		48,478	
Social Security		48,398	
Pensions		81,790	
Medical Insurance		91,957	
Employer Medicare		11,319	
Travel		8,701	
Library Books/Media		82,509	

(Continued)

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Regular Instruction Program (Cont.)

Other Supplies and Materials	\$	26,488	
In Service/Staff Development		23,481	
Total Regular Instruction Program			\$ 1,170,760

Alternative Instruction Program

Supervisor/Director	\$	24,353	
Teachers		59,595	
Career Ladder Program		2,000	
Educational Assistants		14,868	
Non-certified Substitute Teachers		1,008	
Social Security		5,490	
Pensions		10,281	
Medical Insurance		20,271	
Employer Medicare		1,284	
Contracts with Other Public Agencies		54,050	
Rentals		1,200	
Travel		728	
Other Supplies and Materials		1,177	
Total Alternative Instruction Program			196,305

Special Education Program

Supervisor/Director	\$	83,045	
Career Ladder Program		4,000	
Psychological Personnel		50,950	
Assessment Personnel		49,955	
Clerical Personnel		27,889	
Other Salaries and Wages		45,874	
Social Security		15,293	
Pensions		27,066	
Medical Insurance		20,611	
Employer Medicare		3,577	
Communication		739	
Maintenance Agreements		9,720	
Maintenance and Repair Services - Equipment		364	
Postal Charges		495	
Travel		8,726	
Other Contracted Services		44,295	
Drugs and Medical Supplies		971	
Office Supplies		1,613	
Other Supplies and Materials		10,800	
In Service/Staff Development		11,747	
Other Charges		865	
Other Equipment		3,611	
Total Special Education Program			422,206

(Continued)

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Career and Technical Education Program

Clerical Personnel	\$	26,209	
Other Salaries and Wages		699	
Social Security		1,280	
Pensions		2,510	
Medical Insurance		9,478	
Employer Medicare		299	
Maintenance and Repair Services - Equipment		3,192	
Travel		39,535	
Office Supplies		445	
Other Supplies and Materials		3,607	
In Service/Staff Development		3,649	
Total Career and Technical Education Program			\$ 90,903

Technology

Supervisor/Director	\$	78,450	
Computer Programmer(s)		151,312	
Social Security		13,756	
Pensions		19,755	
Medical Insurance		14,030	
Employer Medicare		3,217	
Maintenance and Repair Services - Equipment		13,197	
Internet Connectivity		84,468	
Travel		18,598	
Software		65,727	
Regular Instruction Equipment		2,962	
Total Technology			465,472

Other Programs

On-behalf Payments to OPEB	\$	133,944	
Total Other Programs			133,944

Board of Education

Secretary to Board	\$	3,000	
Board and Committee Members Fees		17,100	
Social Security		1,063	
Pensions		340	
Unemployment Compensation		14,533	
Employer Medicare		288	
Audit Services		15,900	
Dues and Memberships		17,489	
Legal Services		3,005	
Legal Notices, Recording, and Court Costs		6,373	
Travel		5,537	
Other Contracted Services		2,785	
Excess Risk Insurance		41,057	
Liability Insurance		101,013	

(Continued)

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Board of Education (Cont.)

Premiums on Corporate Surety Bonds	\$	350	
Trustee's Commission		174,591	
Workers' Compensation Insurance		191,362	
Other Charges		2,125	
Total Board of Education			\$ 597,911

Director of Schools

County Official/Administrative Officer	\$	135,707	
Career Ladder Program		1,000	
Accountants/Bookkeepers		33,460	
Secretary(ies)		53,352	
Social Security		12,781	
Pensions		22,370	
Medical Insurance		28,923	
Employer Medicare		2,989	
Communication		5,110	
Postal Charges		1,604	
Printing, Stationery, and Forms		4,830	
Rentals		5,711	
Travel		10,041	
Office Supplies		3,196	
Other Supplies and Materials		7,218	
Total Director of Schools			328,292

Office of the Principal

Principals	\$	749,371	
Career Ladder Program		4,000	
Secretary(ies)		353,166	
Social Security		63,665	
Pensions		107,253	
Medical Insurance		146,013	
Employer Medicare		14,889	
Communication		47,193	
Travel		6,099	
Office Supplies		18,951	
Other Charges		1,983	
Total Office of the Principal			1,512,583

Fiscal Services

Software	\$	11,900	
Total Fiscal Services			11,900

Operation of Plant

Custodial Personnel	\$	38,970	
Social Security		2,124	
Pensions		2,375	

(Continued)

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Operation of Plant (Cont.)

Medical Insurance	\$	8,113	
Employer Medicare		497	
Maintenance and Repair Services - Equipment		912	
Rentals		125,520	
Disposal Fees		96,299	
Permits		1,060	
Other Contracted Services		758,532	
Custodial Supplies		4,398	
Electricity		786,208	
Natural Gas		215,440	
Water and Sewer		104,547	
Other Supplies and Materials		4,278	
Building and Contents Insurance		175,710	
Furniture and Fixtures		25,381	
Total Operation of Plant			\$ 2,350,364

Maintenance of Plant

Supervisor/Director	\$	53,405	
Secretary(ies)		31,368	
Maintenance Personnel		228,125	
Social Security		17,979	
Pensions		24,036	
Medical Insurance		49,825	
Employer Medicare		4,205	
Communication		3,465	
Laundry Service		22,329	
Maintenance and Repair Services - Buildings		6,673	
Maintenance and Repair Services - Equipment		44,234	
Pest Control		9,553	
Printing, Stationery, and Forms		180	
Travel		1,036	
Other Contracted Services		110,678	
Drugs and Medical Supplies		283	
Equipment and Machinery Parts		61,848	
Garage Supplies		850	
General Construction Materials		6,616	
Office Supplies		770	
Other Supplies and Materials		18,204	
Total Maintenance of Plant			695,662

Transportation

Supervisor/Director	\$	50,350	
Mechanic(s)		85,557	
Bus Drivers		388,460	
Social Security		30,453	
Pensions		39,922	

(Continued)

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Support Services (Cont.)Transportation (Cont.)

Medical Insurance	\$	24,704	
Employer Medicare		7,440	
Communication		3,647	
Contracts with Parents		22,147	
Maintenance and Repair Services - Equipment		12,099	
Maintenance and Repair Services - Vehicles		16,622	
Medical and Dental Services		4,716	
Printing, Stationery, and Forms		215	
Rentals		1,057	
Travel		1,916	
Other Contracted Services		4,597	
Drugs and Medical Supplies		217	
Gasoline		224,177	
Office Supplies		1,355	
Tires and Tubes		20,040	
Vehicle Parts		137,295	
Other Supplies and Materials		16,426	
Vehicle and Equipment Insurance		101,685	
Liability Claims		5,373	
Transportation Equipment		320,124	
Other Equipment		8,959	
Total Transportation			\$ 1,529,553

Operation of Non-Instructional ServicesCommunity Services

Other Salaries and Wages	\$	84,801	
Social Security		4,810	
Pensions		1,683	
Employer Medicare		1,125	
Other Supplies and Materials		11,236	
Other Equipment		1,225	
Total Community Services			104,880

Early Childhood Education

Teachers	\$	257,828	
Social Workers		43,723	
Educational Assistants		83,699	
Certified Substitute Teachers		400	
Non-certified Substitute Teachers		3,192	
Social Security		21,793	
Pensions		33,402	
Medical Insurance		71,354	
Employer Medicare		5,100	
Communication		6,612	
Legal Notices, Recording, and Court Costs		2,852	
Postal Charges		30	

(Continued)

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department (Cont.)

General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Early Childhood Education (Cont.)

Other Contracted Services	\$	255	
Other Supplies and Materials		59,379	
In Service/Staff Development		664	
Total Early Childhood Education			\$ 590,283

Capital OutlayRegular Capital Outlay

Building Improvements	\$	150,198	
Land		28,000	
Total Regular Capital Outlay			178,198

Other Debt ServiceEducation

Contributions	\$	424,780	
Total Education			<u>424,780</u>

Total General Purpose School Fund \$ 31,217,670

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	552,138	
Educational Assistants		148,312	
Other Salaries and Wages		40,125	
Certified Substitute Teachers		3,840	
Non-certified Substitute Teachers		6,328	
Social Security		42,030	
Pensions		77,439	
Medical Insurance		128,210	
Employer Medicare		9,973	
Other Fringe Benefits		500	
Other Contracted Services		14,929	
Instructional Supplies and Materials		60,491	
Other Charges		3,884	
Regular Instruction Equipment		64,318	
Total Regular Instruction Program			\$ 1,152,517

Special Education Program

Teachers	\$	56,838	
Educational Assistants		455,641	
Speech Pathologist		38,609	
Social Security		29,703	
Pensions		42,052	
Medical Insurance		144,994	
Employer Medicare		6,949	
Contracts with Private Agencies		6,135	

(Continued)

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department (Cont.)

School Federal Projects Fund (Cont.)Instruction (Cont.)Special Education Program (Cont.)

Instructional Supplies and Materials	\$	7,269	
Other Supplies and Materials		2,880	
Special Education Equipment		2,450	
Total Special Education Program			\$ 793,520

Career and Technical Education Program

Clerical Personnel	\$	4,171	
Social Security		196	
Pensions		383	
Employer Medicare		46	
Instructional Supplies and Materials		17,490	
Other Supplies and Materials		1,831	
Vocational Instruction Equipment		33,289	
Total Career and Technical Education Program			57,406

Support ServicesHealth Services

Medical Personnel	\$	26,838	
Social Security		1,650	
Pensions		1,494	
Employer Medicare		389	
Drugs and Medical Supplies		861	
Total Health Services			31,232

Other Student Support

Guidance Personnel	\$	10,000	
Other Salaries and Wages		6,717	
Social Security		1,025	
Pensions		628	
Employer Medicare		240	
Travel		5,900	
Other Contracted Services		1,145	
Other Supplies and Materials		498	
In Service/Staff Development		5,792	
Other Charges		15,427	
Total Other Student Support			47,372

Regular Instruction Program

Supervisor/Director	\$	73,025	
Secretary(ies)		30,328	
Educational Assistants		6,717	
Other Salaries and Wages		150,546	
Certified Substitute Teachers		2,200	
Social Security		14,588	
Pensions		26,849	
Medical Insurance		16,088	

(Continued)

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department (Cont.)

School Federal Projects Fund (Cont.)Support Services (Cont.)Regular Instruction Program (Cont.)

Employer Medicare	\$	3,444	
Other Fringe Benefits		500	
Operating Lease Payments		834	
Travel		1,388	
Other Supplies and Materials		1,872	
In Service/Staff Development		<u>22,255</u>	
Total Regular Instruction Program			\$ 350,634

Special Education Program

Clerical Personnel	\$	19,430	
Other Salaries and Wages		8,110	
Social Security		1,387	
Pensions		1,154	
Medical Insurance		9,517	
Employer Medicare		324	
Travel		1,439	
In Service/Staff Development		<u>5,536</u>	
Total Special Education Program			46,897

Board of Education

Criminal Investigation of Applicants - TBI	\$	<u>316</u>	
Total Board of Education			316

Transportation

Mechanic(s)	\$	10,553	
Bus Drivers		87,254	
Other Salaries and Wages		47,345	
Social Security		8,502	
Pensions		7,084	
Employer Medicare		2,085	
Other Fringe Benefits		333	
Contracts with Private Agencies		<u>1,654</u>	
Total Transportation			164,810

Operation of Non-Instructional ServicesFood Service

Food Supplies	\$	<u>359</u>	
Total Food Service			<u>359</u>

Total School Federal Projects Fund \$ 2,645,063

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	56,390	
Accountants/Bookkeepers		30,328	

(Continued)

Exhibit K-9

Weakley County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Weakley County School Department (Cont.)

Central Cafeteria Fund (Cont.)Operation of Non-Instructional Services (Cont.)Food Service (Cont.)

Cafeteria Personnel	\$	757,654	
Maintenance Personnel		31,870	
Educational Incentive - Other County Employees		3,300	
Other Salaries and Wages		270	
Social Security		50,420	
Pensions		61,253	
Medical Insurance		140,032	
Employer Medicare		11,792	
Audit Services		3,000	
Communication		8,507	
Dues and Memberships		3,150	
Freight Expenses		9,356	
Legal Notices, Recording, and Court Costs		324	
Maintenance Agreements		8,945	
Maintenance and Repair Services - Equipment		55	
Pest Control		2,184	
Postal Charges		308	
Printing, Stationery, and Forms		1,961	
Travel		4,575	
Other Contracted Services		21,787	
Equipment and Machinery Parts		12,109	
Food Supplies		1,062,751	
Office Supplies		3,765	
USDA - Commodities		200,142	
Other Supplies and Materials		115,924	
Trustee's Commission		158	
In Service/Staff Development		4,437	
Food Service Equipment		55,001	
Total Food Service			\$ 2,661,748

Total Central Cafeteria Fund \$ 2,661,748

Education Capital Projects FundCapital ProjectsEducation Capital Projects

Other Contracted Services	\$	6,640	
Other Capital Outlay		195,552	
Total Education Capital Projects			\$ 202,192

Total Education Capital Projects Fund 202,192

Total Governmental Funds - Weakley County School Department \$ 36,726,673

Weakley County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2019

	Cities - Sales Tax Fund
	<hr/>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,797,636
Total Cash Receipts	<u>\$ 3,797,636</u>
 <u>Cash Disbursements</u>	
Remittance of Revenue Collected	\$ 3,759,660
Trustee's Commission	37,976
Total Cash Disbursements	<u>\$ 3,797,636</u>
 Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2018	<hr/> 0
 Cash Balance, June 30, 2019	 <u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

Independent Auditor's Report

Weakley County Mayor and
Board of County Commissioners
Weakley County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Weakley County's basic financial statements, as listed in the table of contents, and have issued our report thereon dated February 11, 2020. Our report includes a reference to other auditors who audited the financial statements of the Weakley County Municipal Electric System and the Weakley County Nursing Home, as described in our report on Weakley County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Weakley County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Weakley County's internal control. Accordingly, we do not express an opinion on the effectiveness of Weakley County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be a significant deficiency: 2019-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Weakley County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2019-001.

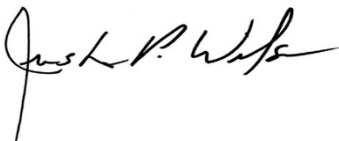
Weakley County's Responses to the Findings

Weakley County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Weakley County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Weakley County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 11, 2020

JPW/yu



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Weakley County Mayor and
Board of County Commissioners
Weakley County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Weakley County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Weakley County's major federal programs for the year ended June 30, 2019. Weakley County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Weakley County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Weakley County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Weakley County's compliance.

Opinion on Each Major Federal Program

In our opinion, Weakley County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Weakley County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Weakley County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Weakley County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

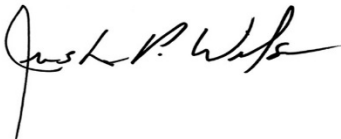
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Weakley County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Weakley County's basic financial statements. We issued our report thereon dated February 11, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 11, 2020

JPW/yu

Weakley County, Tennessee, and the Weakley County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2019

Federal/Pass Through Agency/State Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (3)			
School Breakfast Program	10.553	N/A	\$ 643,217
National School Lunch Program	10.555	N/A	1,188,817 (5)
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	18,788
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (3)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	200,142 (5)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG-19-59529-00	6,152
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	N/A	3,916
Total U.S. Department of Agriculture			<u>\$ 2,061,032</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	\$ 32,155 (6)
Total U.S. Department of Defense			<u>\$ 32,155</u>
U.S. Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	30504-00517-81	\$ 720
Total U.S. Institute of Museum and Library Services			<u>\$ 720</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,172,033
Special Education Cluster: (3)			
Special Education - Grants to States	84.027	N/A	1,031,588
Special Education - Preschool Grants	84.173	N/A	23,955
Career and Technical Education - Basic Grants to States	84.048	N/A	80,947
Rural Education	84.358	N/A	67,396
English Language Acquisition State Grants	84.365	N/A	1,919
Supporting Effective Instruction State Grant	84.367	N/A	152,250
Total U.S. Department of Education			<u>\$ 2,530,088</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Aging Cluster: (3)			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(4)	\$ 91,340
Passed-through State Department of Health:			
Family Planning Services	93.217	GG-19-59529-00	1,085
HIV Prevention Activities - Health Department Based	93.940	GG-19-59529-00	356
Preventative Health Services - Sexually Transmitted Diseases Control Grants	93.977	GG-19-59529-00	284
Maternal and Child Health Services Block Grant to the States	93.994	GG-19-59529-00	3,513
Passed-through State Department of Human Services:			
CCDF Cluster: (3)			
Child Care and Development Block Grant	93.575	(4)	135,713
Total U.S. Department of Health and Human Services			<u>\$ 232,291</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-08119	\$ 22,500
Homeland Security Grant Program	97.067	34101-15119	6,046
Total U.S. Department of Homeland Security			<u>\$ 28,546</u>
Total Federal Awards			<u>\$ 4,884,832</u>

(Continued)

Weakley County, Tennessee, and the Weakley County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass Through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Litter Program - State Department of Environment and Conservation	N/A	40100-00819	\$ 50,473
Preventive Health and Human Services - State Department of Health	N/A	GG-19-59529-00	19,912
27th Judicial District Drug Court - State Department of Finance and Administration	N/A	(4)	70,000
Juvenile Justice and Delinquency Prevention - State Department of Children's Services	N/A	35910-02829	21,707
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	35910-20409	9,000
Three Star Contract - State Department of Economic and Community Development	N/A	33007-90119	14,625
Healthy Built Environment - State Department of Health	N/A	34360-75519	20,000
Early Childhood Education - State Department of Education	N/A	N/A	590,591
Safe Schools - State Department of Education	N/A	N/A	38,798
Coordinated School Health - State Department of Education	N/A	N/A	89,841
Healthy Students Stronger Learners Tennessee - State Department of Education	N/A	N/A	13,000
Read to Be Ready Coaching Network - State Department of Education	N/A	(4)	10,540
CTE Equipment Grant - State Department of Education	N/A	N/A	123,616
Total State Grants			<u>\$ 1,072,103</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Weakley County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

(3) Child Nutrition Cluster total \$2,032,176; Special Education Cluster total \$1,055,543; Aging Cluster total \$91,340;
CCDF Cluster total \$135,713.

(4) Information not available.

(5) Total CFDA No. 10.555 is \$1,388,959.

(6) During the year ended June 30, 2019, Weakley County received excess military equipment from the U.S. Department of Defense valued at \$32,155.

Weakley County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2019

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Weakley County, Tennessee, for the year ended June 30, 2019.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
<u>OFFICE OF DIRECTOR OF FINANCE</u>					
2018	249	2018-001	Employee Contributions to the Defined Contribution Component of the Hybrid Pension Plan were not Withheld and Reported to the Tennessee Consolidated Retirement System	N/A	Corrected
2018	250	2018-002	The Solid Waste Management Convenience Center had Operating Deficiencies	N/A	Part A: Corrected; Part B: Not Corrected - See Explanation on Corrective Action Plan

Prior-year Federal Awards Findings

There were no prior-year federal award findings to report.

WEAKLEY COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Weakley County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF DIRECTOR OF FINANCE

FINDING 2019-001

COMPETITIVE BIDS WERE NOT SOLICITED FOR THE PURCHASE OF BULLET RESISTANT BARRIERS FOR THE COURTHOUSE

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 47 disbursements totaling \$440,586 from a population of 6,804 vendor checks totaling \$21,013,969. Our examination revealed that competitive bids were not solicited for the purchase and installation of bullet resistant barriers in the courthouse totaling \$46,569. Purchasing procedures for the county are governed by the County Financial Management System of 1981, which requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$25,000. As a result, the best and lowest price may not have been obtained for the purchase and installation of the barriers.

RECOMMENDATION

All purchases should be made in compliance with the County Financial Management System of 1981.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

We concur with this finding. The purchase of the materials and installation of the barriers was overseen by a construction manager often used by Weakley County. There has never been any issue with the particular construction manager in regard to the solicitation of bids on previous projects. In this instance, the construction manager did obtain written, documented quotes from various vendors, but these were not obtained through a competitive, sealed bid process. In discussions with the construction manager, he stated that he was mistaken in thinking the sealed bids were not required since this project was funded by a grant. He now understands that the project, and any future similar projects, should be solicited through a competitive, sealed bid process. The Department of Finance will ensure that all future projects and purchases are handled according to the purchasing procedures outlined in the County Financial Management System of 1981.

FINDING 2019-002

DUTIES WERE NOT SEGREGATED ADEQUATELY

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately at the Weakley County Solid Waste Management Convenience Center. The employee responsible for maintaining the accounting records was also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decision based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – DIRECTOR OF FINANCE

We concur with this finding. While duties are segregated as much as possible with current available resources, to eliminate the finding, two people would have to be on duty at all times that money is being collected and receipted. Since there is no money allocated in the budget for an additional person, this will have to be addressed by the Weakley County Commission in the coming months as we prepare our upcoming budget for fiscal year 2021.

AUDITOR'S COMMENT

The Comptroller's Office and the County Technical Assistance Service have provided guidelines to assist officials in properly segregating duties. These guidelines include suggestions for small offices. We have not recommended hiring additional employees. We realize that due to limited resources and personnel, management may not be able to fully segregate duties among employees. However, duties should be segregated to the extent possible.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2019.

Weakley County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2019

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF DIRECTOR OF FINANCE

2019-001	Competitive bids were not Solicited for the Purchase of Bullet Resistant Barriers for the Courthouse	250
2019-002	Duties were not Segregated Adequately	251



WEAKLEY COUNTY DEPARTMENT OF FINANCE

John H. Liggett, Director of Finance

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February 6, 2020

Corrective Action Plan

FINDING:

**COMPETITIVE BIDS WERE NOT SOLICITED FOR THE
PURCHASE OF BULLET RESISTANT BARRIERS FOR THE
COURTHOUSE**

(Noncompliance Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:

John Liggett, Director of Finance

Person Responsible for Implementing the Corrective Action:

John Liggett, Director of Finance

Anticipated Completion Date of Corrective Action:

Date: June 30, 2020

Repeat Finding:

No

Planned Corrective Action:

The purchase of the materials and installation of the barriers was overseen by a construction manager often used by Weakley County. There has never been any issue with the particular construction manager in regard to the solicitation of bids on previous projects. In this instance, the construction manager did obtain written, documented quotes from various vendors, but these were not obtained through a competitive, sealed bid process. In discussions with the construction manager, he stated that he was mistaken in thinking the sealed bids were not required since this project was funded by a grant. He now understands that the project, and any future similar projects, should be solicited through a competitive, sealed bid process. The Department of Finance will ensure that all future projects and purchases are handled according to the purchasing procedures outlined in the County Financial Management System of 1981.

FINDING: **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Response and Corrective Action Plan Prepared by:
Charles Ross, Road Supervisor

Person Responsible for Implementing the Corrective Action:
Charles Ross, Road Supervisor

Anticipated Completion Date of Corrective Action:
Date: July 2020

Repeat Finding:
Yes

Reason Corrective Action was Not Taken in the Prior Year:
We misunderstood the action necessary to satisfy segregation of duties.

Planned Corrective Action:

While duties are segregated as much as possible with current available resources (only one person working at the center), to eliminate the finding, two people would have to be on duty at all times that money is being collected and receipted. One would take in the money, and the other would fill out the receipt. Since there is no money allocated in the budget for an additional person, this will have to be addressed by the Weakley County Commission in the coming months as we prepare our upcoming budget for fiscal year 2021.

Signature:  John H. Liggitt, Director of Finance